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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(**Mark One**)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-40367

VACCITECH PLC

(**Exact Name of Registrant as Specified in its Charter**)

England and Wales	**Not Applicable**
(**State or other jurisdiction of incorporation or organization**)	(**I.R.S. Employer Identification No.**)
Unit 6-10, Zeus Building Rutherford Avenue, Harwell, Didcot, United Kingdom	**OX11 0DF**
(**Address of principal executive offices**)	(**Zip Code**)

Registrant's telephone number, including area code: +44 (0) 1865 818 808

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American Depositary Shares*	VACC	The Nasdaq Global Market
Ordinary shares, nominal value £0.000025 per share**		

*American Depositary Shares may be evidenced by American Depositary Receipts. Each American Depositary Share represents one (1) ordinary share.

**Not for trading, but only in connection with the listing of American Depositary Shares on The Nasdaq Global Market.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
	Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 5, 2023, the registrant had 38,369,838 ordinary shares, nominal value £0.000025 per share, outstanding.

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We own various trademark registrations and applications, and unregistered trademarks, including our name, our corporate logo and technologies acquired as part of our acquisition of Avidea Technologies, Inc. in December 2021. We have an exclusive license to use and display the Vaccitech registered trademark in order to commercialize Vaccitech in the United Kingdom. All other trade names, trademarks and service marks of other companies appearing in this Quarterly Report on Form 10-Q, or this Quarterly Report, are the property of their respective holders. Solely for convenience, the trademarks and trade names in this Quarterly Report may be referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend to use or display other companies' trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

From time to time, we may use our website, our Twitter account at @Vaccitechplc and our LinkedIn account at linkedin.com/company/Vaccitech-plc to distribute material information. Our financial and other material information is routinely posted to and accessible on the Investors section of our website, available at www.vaccitech.co.uk. Investors are encouraged to review the Investors section of our website because we may post material information on that site that is not otherwise disseminated by us. Information that is contained in and can be accessed through our website, our Twitter posts and our LinkedIn posts are not incorporated into, and does not form a part of, this Quarterly Report.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

INDEX TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

VACCITECH PLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT NUMBER OF SHARES AND PER SHARE AMOUNTS)
(UNAUDITED)

	March 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 191,328	$ 194,385
Accounts receivable	172	323
Accounts receivable - related parties	768	5,524
Research and development incentives receivable	2,501	4,541
Prepaid expenses and other current assets	5,896	8,268
Total current assets	200,665	213,041
Goodwill	12,209	12,209
Property and equipment, net	12,712	7,957
Intangible assets, net	27,479	28,269
Right of use assets, net	7,723	7,753
Other assets	1,028	976
Total assets	$ 261,816	$ 270,205
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,327	$ 3,748
Accrued expenses and other current liabilities	7,012	8,061
Operating lease liability - current	649	433
Total current liabilities	11,988	12,242
Non-Current liabilities:		
Operating lease liability	10,005	8,340
Contingent consideration	1,710	1,711
Deferred tax liability, net	3,230	3,746
Other non-current liabilities	1,314	965
Total liabilities	$ 28,247	$ 27,004
Commitments and contingencies (Note 14)		
Shareholders' equity:		
Ordinary shares, £0.000025 nominal value; 38,357,025 shares authorized, issued and outstanding (December 31, 2022: authorized, issued and outstanding: 37,683,531)	1	1
Deferred A shares, £1 nominal value; 63,443 shares authorized, issued and outstanding (December 31, 2022: authorized, issued and outstanding: 63,443)	86	86
Deferred B shares, £0.01 nominal value; nil shares authorized, issued and outstanding (December 31, 2022:authorized, issued and outstanding: 570,987)	—	8
Deferred C shares, £0.000007 nominal value, nil shares authorized, issued and outstanding (December 31, 2022: authorized, issued and outstanding: 27,828,231)	—	[1] 0
Additional paid-in capital	383,523	379,504
Accumulated deficit	(121,423)	(103,243)
Accumulated other comprehensive loss – foreign currency translation adjustments	(28,886)	(33,460)
Total shareholders' equity attributable to Vaccitech plc shareholders'	233,301	242,896
Noncontrolling interest	268	305
Total shareholders' equity	$ 233,569	$ 243,201
Total liabilities and shareholders' equity	$ 261,816	$ 270,205

[1] indicates amount less than thousand

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

VACCITECH PLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(IN THOUSANDS, EXCEPT NUMBER OF SHARES AND PER SHARE AMOUNTS)
(UNAUDITED)

	Three months ended	
	March 31, 2023	March 31, 2022
License revenue [1]	$ 468	$ 15,009
Research grants and contracts	—	9
Total revenue	468	15,018
Operating expenses		
Research and development	9,814	10,701
General and administrative	12,138	3,663
Total operating expenses	21,952	14,364
(Loss)/income from operations	(21,484)	654
Other income/(expense):		
Interest income	1,588	83
Interest expense	—	(74)
Research and development incentives	1,157	1,048
Total other income/(expense)	2,745	1,057
(Loss)/profit before income tax	(18,739)	1,711
Tax benefit	516	863
Net (loss)/income	(18,223)	2,574
Net loss attributable to noncontrolling interest	43	22
Net (loss)/income attributable to Vaccitech plc shareholders	(18,180)	2,596
Weighted-average ordinary shares outstanding, basic	38,013,399	37,191,022
Weighted-average ordinary shares outstanding, diluted	38,013,399	38,346,668
Net (loss)/income per share attributable to ordinary shareholders, basic	$ (0.48)	$ 0.070
Net (loss)/income per share attributable to ordinary shareholders, diluted	$ (0.48)	$ 0.068
Net (loss)/income	$ (18,223)	$ 2,574
Other comprehensive gain/(loss) – foreign currency translation adjustments	4,580	(5,983)
Comprehensive loss	(13,643)	(3,409)
Comprehensive loss attributable to noncontrolling interest	37	37
Comprehensive loss attributable to Vaccitech plc shareholders	$ (13,606)	$ (3,372)

[1] Includes license revenue from related parties for the three month periods ended March 31, 2023 and 2022, of $0.5 million and $15.0 million, respectively.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

VACCITECH PLC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(IN THOUSANDS, EXCEPT NUMBER OF SHARES)
(UNAUDITED)

	Three months ended March 31, 2023												
	Ordinary Shares		Deferred A Shares		Deferred B Shares		Deferred C Shares		Additional Paid-in-capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Shareholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount					
Balance, January 1, 2023	**37,683,531**	**$ 1**	**63,443**	**$ 86**	**570,987**	**$ 8**	**27,828,231**	**$ 0** [1]	**$ 379,504**	**$ (103,243)**	**$ (33,460)**	**$ 305**	**$ 243,201**
Share based compensation	—	—	—	—	—	—	—	—	2,222	—	—	—	2,222
Issue of ordinary shares	673,494	0 [1]	—	—	—	—	—	—	1,789	—	—	—	1,789
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	—	—	4,574	6	4,580
Cancellation of deferred shares	—	—	—	—	(570,987)	(8)	(27,828,231)	(0) [1]	8	—	—	—	—
Net loss	—	—	—	—	—	—	—	—	—	(18,180)	—	(43)	(18,223)
Balance, March 31, 2023	**38,357,025**	**$ 1**	**63,443**	**$ 86**	**—**	**$ —**	**—**	**$ —**	**383,523**	**$ (121,423)**	**$ (28,886)**	**$ 268**	**$ 233,569**

	Three months ended March 31, 2022												
	Ordinary Shares		Deferred A Shares		Deferred B Shares		Deferred C Shares		Additional Paid-in-capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Noncontrolling Interest	Total Shareholders' Equity
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount					
Balance, January 1, 2022	**37,188,730**	**$ 1**	**63,433**	**$ 86**	**570,987**	**$ 8**	**27,828,231**	**$ 0** [1]	**$ 369,103**	**$ (108,585)**	**$ (8,488)**	**$ 437**	**$ 252,562**
Share based compensation	—	—	—	—	—	—	—	—	3,984	—	—	—	3,984
Issue of ordinary shares	4,637	0 [1]	—	—	—	—	—	—	0 [1]	—	—	—	0 [1]
Foreign currency translation adjustments	—	—	—	—	—	—	—	—	—	—	(5,968)	(15)	(5,983)
Net income	—	—	—	—	—	—	—	—	—	2,596	—	(22)	2,574
Balance, March 31, 2022	**37,193,367**	**$ 1**	**63,443**	**$ 86**	**570,987**	**$ 8**	**27,828,231**	**$ 0** [1]	**$ 373,087**	**$ (105,989)**	**$ (14,456)**	**$ 400**	**$ 253,137**

[1] Indicates amount less than thousand

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

VACCITECH PLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)

	Three months ended	
	March 31, 2023	March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income / (loss)	$ (18,223)	$ 2,574
Adjustments to reconcile net income / (loss) to net cash used in operating activities:		
Share based compensation	2,222	3,984
Depreciation and amortization	1,221	966
Non-cash lease expenses	279	228
Change in contingent consideration	85	143
Deferred tax benefit	(516)	(863)
Non-cash loss on foreign currency remeasurement and other non-cash adjustments	3,504	—
Other non-cash expenses	—	12
Changes in operating assets and liabilities:		
Accounts receivable (including related parties)	4,961	(18,352)
Prepaid expenses and other current assets	4,090	(1,121)
Research and development incentives receivable	2,102	1,300
Accounts payable	(1,707)	1,739
Accrued expenses and other current liabilities	(1,315)	2,830
Deferred revenue	—	(15)
Other assets	123	(4)
Net cash used in operating activities	$ (3,174)	$ (6,579)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(2,507)	(1,092)
Investment in subsidiary	—	—
Net cash used in investing activities	$ (2,507)	$ (1,092)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issue of shares from the exercise of stock options	0 [1]	0 [1]
Proceeds from issue of ordinary shares	1,789	—
Payment of contingent consideration	(100)	—
Repayment of debt	—	(159)
Net cash provided by/(used in) financing activities	$ 1,689	$ (159)
EFFECT OF EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	935	(5,628)
Net (decrease) in cash and cash equivalents	(3,057)	(13,458)
Cash and cash equivalents, beginning of the period	194,385	214,054
Cash and cash equivalents, end of the period	$ 191,328	$ 200,596
Supplemental cash flow disclosures:		
Cash paid for interest	$ 0 [1]	$ —
Cash paid for income taxes	$ 0 [1]	$ —
Non-Cash investing and financing activities		
Issue of ordinary shares	$ 0 [1]	$ —
Capital expenditures included in accounts payable and accrued expenses	$ 2,247	$ 1,365
Asset retirement obligation	$ 282	$ 443
Changes to right-of-use asset resulting from lease reassessment event	$ 4	$ (36)

[1] Indicates amounts less than thousand

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

VACCITECH PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. Nature of Business and Basis of Presentation

Vaccitech plc ("Vaccitech") is a public limited company incorporated pursuant to the laws of England and Wales in March 2021. Vaccitech is engaged in the discovery and development of novel immunotherapeutics and vaccines for the treatment and prevention of infectious disease, cancer and immune tolerance. Vaccitech is headquartered in Harwell, Oxfordshire, United Kingdom. Vaccitech and its direct and indirect subsidiaries, Vaccitech (UK) Limited, Vaccitech Australia Pty Limited, Vaccitech Oncology Limited ("VOLT"), Vaccitech North America, Inc., Vaccitech Switzerland GmbH and Vaccitech Italia S.R.L, are collectively referred to as the "Company".

In connection with the initial public offering of American Depositary Shares ("ADSs"), in March 2021, Vaccitech completed a corporate reorganization wherein the shareholders of Vaccitech (UK) Limited exchanged each of their ordinary shares, series A shares and series B shares of Vaccitech (UK) Limited (formerly Vaccitech Limited) for the same quantity of ordinary shares, series A shares and series B shares in Vaccitech plc (resulting in the shareholders of the Company holding the same percentage and class of shares in Vaccitech plc (formerly Vaccitech Rx Limited) as they had in Vaccitech (UK) Limited. The group reorganization under common control constituted a change in reporting entity and has been given retrospective effect reflecting the net assets of Vaccitech (UK) Limited and its subsidiaries and Vaccitech plc at their historical carrying amounts. On April 4, 2022, a merger was effected between subsidiaries Vaccitech USA, Inc. and Vaccitech North America, Inc., with Vaccitech North America, Inc. being the surviving entity.

The Company operates in an environment of rapid technological change and substantial competition from pharmaceutical and biotechnology companies. The Company is subject to risks common to companies in the biopharmaceutical industry in a similar stage of its life cycle including, but not limited to, the need to obtain adequate additional funding, possible failure of preclinical testing or clinical trials, the need to obtain marketing approval for its vaccine product candidates, competitors developing new technological innovations, the need to successfully commercialize and gain market acceptance of any of its products that are approved, and protection of proprietary technology. There can be no assurance that the Company's research and development will be successfully completed, that adequate protection for the Company's intellectual property will be obtained, that any products developed will obtain required regulatory approval or that any approved products will be commercially viable. Even if the Company's development efforts are successful, it is uncertain when, if ever, the Company will generate significant product sales. If the Company does not successfully commercialize any of its products or mitigate any of these other risks, it will be unable to generate revenue or achieve profitability.

Basis of presentation

The Company's unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and pursuant to the rules and regulations of the Securities and Exchange Commission for interim financial statements. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Certain notes or other information that are normally required by GAAP have been omitted if they substantially duplicate the disclosures contained in the Company's annual audited consolidated financial statements. Accordingly, the unaudited condensed consolidated financial statements should be read in connection with the Company's audited financial statements and related notes as of and for the year ended December 31, 2022. The condensed consolidated balance sheet as of December 31, 2022, was derived from the audited financial statements but does not contain all of the footnote disclosures from the annual financial statements.

As of March 31, 2023, the Company had cash and cash equivalents of $191.3 million and an accumulated deficit of $121.4 million, the Company expects to incur losses for the foreseeable future. The Company expects that its cash and cash equivalents will be sufficient to fund current operations for at least the next twelve months from the issuance of the financial statements. The Company expects to seek additional funding through equity financings, government or private-party grants, debt financings or other capital sources, including collaborations with other companies or other strategic transactions. The Company may not be able to obtain financing on acceptable terms, or at all, and the Company may not be able to enter into collaborations or other arrangements. The terms of any financing may adversely affect the holdings or rights of the Company's stockholders. If the Company is unable to obtain sufficient capital, the Company will be forced to delay, reduce or eliminate some or all of its research and development programs,

VACCITECH PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

product portfolio expansion or future commercialization efforts, which could adversely affect its business prospects, or the Company may be unable to continue operations. Although management continues to pursue these plans, there is no assurance that the Company will be successful in obtaining sufficient funding on terms acceptable to the Company to fund continuing operations, if at all.

The condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates, among other things, the realization of assets and the satisfaction of liabilities and commitments in the ordinary course of business.

Unaudited Condensed Financial Information

The accompanying Condensed Consolidated Balance Sheets as of March 31, 2023, and December 31, 2022, the Condensed Consolidated Statements of Operations and Comprehensive Loss, Condensed Consolidated Statements of Changes in Shareholders' Equity and the Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2023 and 2022 are unaudited. These unaudited condensed consolidated financial statements have been prepared on the same basis as the audited annual consolidated financial statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities Exchange Commission (the "Annual Report") on March 24, 2023. In our opinion, the unaudited condensed consolidated financial statements include all adjustments of a normal recurring nature necessary for the fair presentation of our financial position as of March 31, 2023, our results of operations for the three months ended March 31, 2023, and 2022, and our cash flows for the three months ended March 31, 2023, and 2022. The results of operations for the three months ended March 31, 2023, are not necessarily indicative of the results to be expected for the year ending December 31, 2023, or any other interim periods.

2. Summary of Significant Accounting Policies

The accounting policies of the Company are set forth in Note 2 to the consolidated financial statements as of and for the year ended December 31, 2022, except as discussed below related to newly adopted accounting pronouncements.

Use of Estimates

The preparation of unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue, and expenses during the reporting period. The Company bases estimates and assumptions on historical experience when available and on various factors that it believes to be reasonable under the circumstances. The Company evaluates its estimates and assumptions on an ongoing basis. The Company's actual results may differ from these estimates under different assumptions or conditions.

As of the date of issuance of these unaudited condensed consolidated financial statements, the Company is not aware of any specific event or circumstance that would require the Company to update its estimates, assumptions and judgments or revise the carrying value of its assets or liabilities. These estimates may change as new events occur and additional information is obtained and are recognized in the unaudited condensed consolidated financial statements as soon as they become known. Actual results could differ from those estimates and any such differences may be material to the Company's financial statements.

Recently issued accounting pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that the Company adopts as of the specified effective date. The Company qualifies as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 and has elected not to "opt out" of the extended transition related to complying with new or revised accounting standards, which means that when a standard is issued or revised and it has different application dates for public and nonpublic companies, the Company can adopt the new or revised standard at the time nonpublic companies adopt the new or revised standard and can do so until such time that the Company either (i) irrevocably elects to "opt out" of such extended transition period or (ii) no longer qualifies as an emerging growth company.

VACCITECH PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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We have reviewed all recently issued standards and have determined that such standards will not have a material impact on our condensed consolidated financial statements or do not otherwise apply to our current operations.

3. Foreign currency translation in General and Administrative Expenses

The aggregate, net foreign exchange gain or loss included in determining net (loss)/income recognized in general and administrative expenses for the three months ended March 31, 2023, was a loss of $3.5 million (three months ended March 31, 2022: $5.3 million gain).

4. Net (Loss)/Income Per Share

The following table sets forth the computation of basic and diluted net (loss)/income per share for the three months ended March 31, 2023, and 2022 (in thousands, except number of shares):

	Three months ended March 31,	
	2023	2022
Numerator:		
Net (loss)/income	$ (18,223)	$ 2,574
Net loss attributable to noncontrolling interest	43	22
Net (loss)/income attributable to Vaccitech shareholders	$ (18,180)	$ 2,596
Denominator:		
Weighted-average ordinary shares outstanding, basic	38,013,399	37,191,022
Effect of dilutive stock options	—	1,155,646
Weighted-average ordinary shares outstanding, diluted	38,013,399	38,346,668
Net (loss)/income per share attributable to ordinary shareholders, basic	$ (0.48)	$ 0.070
Net (loss)/income per share attributable to ordinary shareholders, diluted	$ (0.48)	$ 0.068

For the three month period ended March 31, 2023 and 2022, 4,134,286 and 2,014,204 potential ordinary shares issuable for stock options, respectively, were excluded from the computation of diluted weighted-average shares outstanding because including them would have had an anti-dilutive effect.

5. Property and equipment, net

During the three months ended March 31, 2023, the Company's additions to property and equipment, net were $4.8 million, which primarily related to an increase in leasehold improvements from the Company's U.S. office in Germantown, Maryland (three months ended March 31, 2022: $3.2 million, related to leasehold improvements of the Company's corporate headquarters).

Depreciation expense for the three months ended March 31, 2023 was $0.4 million (March 31, 2022: $0.2 million).

6. Intangible assets, net

The gross amount of amortizable intangible assets, consisting of developed technology, was $31.6 million and $31.6 million as of March 31, 2023 and December 31 2022, respectively, and accumulated amortization was $4.1 million and $3.3 million as of March 31, 2023 and December 31, 2022, respectively. The amortization expense for the three months ended March 31, 2023 was $0.8 million (three months ended March 31, 2022: $0.8 million). The estimated annual amortization expense is $3.1 million for the years 2023 through to 2031.

VACCITECH PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

7. Prepaid expenses and other current assets (in thousands):

	March 31, 2023	December 31, 2022
Prepayments and accrued income	$ 5,294	$ 5,887
Employee retention and payroll tax credit	53	48
Lease incentive receivable	—	1,770
Others	549	563
Total	$ 5,896	$ 8,268

8. Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consist of the following (in thousands):

	March 31, 2022	December 31, 2022
Accrued manufacturing and clinical expenses	$ 2,097	$ 2,997
Accrued board of director compensation	19	9
Accrued bonus	539	1,925
Accrued payroll and employee benefits	653	928
Accrued professional fees	1,108	1,270
Accrued leasehold improvements	1,163	—
Accrued other	1,433	932
Total	$ 7,012	$ 8,061

9. Ordinary Shares

All ordinary shares rank pari passu as a single class. The following is a summary of the rights and privileges of the holders of ordinary shares as of March 31, 2023:

Liquidation preference: in the event of the liquidation, dissolution or winding up of the Company, the assets of the Company available for distribution to holders of the ordinary shares shall be distributed amongst all holders of the ordinary shares in proportion to the number of shares held irrespective of the amount paid or credited as paid on any share.

Dividends: the Company may, subject to the provisions of the Companies Act 2006 and our Articles, by ordinary resolution from time to time declare dividends to be paid to shareholders not exceeding the amount recommended by the Company's board of directors. Subject to the provisions of the Companies Act 2006, in so far as, in the board of directors' opinions, the Company's profits justify such payments, the board of directors may pay interim dividends on the Company's ordinary shares.

Voting Rights: each holder of ordinary shares has the right to receive notice of, and to vote at, the Company's general meetings. Each holder of ordinary shares who is present (in person or by proxy) at a general meeting on a show of hands has one vote and, on a poll, every such holder who is present (in person or by proxy) has one vote in respect of each share of which they are the holder.

Preemption rights: pursuant to section 561 of the Companies Act 2006, shareholders are granted preemptive rights when new shares are issued for cash. However, it is possible for our Articles, or shareholders at a general meeting representing at least 75% of our ordinary shares present (in person or by proxy) and eligible to vote at that general meeting, to disapply these preemptive rights by passing a special resolution. Such a disapplication of preemption rights may be for a maximum period of up to five years from the date on which the shareholder resolution was passed. In either case, this disapplication would need to be renewed by our shareholders upon its expiration (*i.e.*, at least every five years) to remain effective.

On April 21, 2021, our shareholders approved the disapplication of preemptive rights for a period of five years from the date of approval by way of a special resolution of our shareholders. This included the disapplication of preemption rights in relation to the

VACCITECH PLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

allotment of our ordinary shares in connection with the IPO. This disapplication will need to be renewed upon expiration (*i.e.*, at least every five years) to remain effective, but may be sought more frequently for additional five-year terms (or any shorter period).

10. Deferred Shares

All deferred shares rank pari passu as a single class. The deferred shares do not have rights to dividends or to any other right of participation in the profits of the Company. On a return of assets on liquidation, the deferred shares shall confer on the holders thereof an entitlement to receive out of the assets of the Company available for distribution amongst the shareholders (subject to the rights of any new class of shares with preferred rights) the amount credited as paid up on the deferred shares held by them respectively after (but only after) payment shall have been made to the holders of the ordinary shares of the amounts paid up or credited as paid up on such shares and the sum of £1.0 million in respect of each ordinary share held by them respectively. The deferred shares shall confer on the holders thereof no further right to participate in the assets of the Company.

On March 29, 2023, the Company transferred back to the Company and subsequently cancelled all of its deferred B shares (nominal value of £0.01 each) and deferred C shares (nominal value of £0.00007362459546925556 each) which were previously in issue. These deferred shares had previously been issued to certain pre-IPO shareholders in connection with the implementation of certain stages of the Company's pre-IPO share capital reorganization. The Company received shareholder approval on April 21, 2021 (pursuant to the shareholder resolutions passed on that date) in order to effect the transfer back and cancellation of the deferred shares for nil consideration in accordance with sections 659 and 662 of the Companies Act 2006.

The Company's deferred A shares with a nominal value of £1.00 each remain in issue for the purposes of satisfying the minimum share capital requirements for a public limited company as prescribed by the Companies Act 2006.

11. Fair value

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, certain accrued expenses, and contingent consideration. The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximated their respective fair value due to the short-term nature and maturity of these instruments.

As of March 31, 2023, the Company had a contingent consideration liability of $1.7 million related to the acquisition of Avidea Technologies, Inc. The fair value of the contingent consideration is a Level 3 valuation with the significant unobservable inputs being the probability of success of achievement of the milestone and the expected date of the milestone achievement. Significant judgment is employed in determining the appropriateness of certain of these inputs.

The following table summarizes changes to our financial instruments carried at fair value and classified within Level 3 of the fair value hierarchy (in thousands):

	Three months ended March 31,	
	2023	2022
Beginning balance	$ 1,711	$ 2,371
Change in fair value recognized in net (loss)/ income	(1)	143
Foreign exchange loss	(37)	—
Foreign exchange translation recognized in other comprehensive loss	37	(70)
Ending balance	$ 1,710	$ 2,444

12. Goodwill

The Company identified qualitative indicators of impairment in 2022 due to a sustained decline in the price of the Company's American Depositary Shares, whereby the market capitalization continues to be below the value of the net assets of the Company. Therefore, the Company performed an interim qualitative assessment as of March 31, 2023 to determine whether it was more likely than not that the fair value of the reporting unit is less than its carrying amount. Based on this assessment, management determined it

is not more likely than not that the fair value of the reporting unit is less than its carrying amount. No additional qualitative indicators of impairment were identified during the three month period ended March 31, 2023.

13. Share-Based Compensation

During the three month period ended March 31, 2023, in accordance with the terms of the Annual Increase of the Vaccitech plc Share Award Plan 2021 (the "Plan"), the total number of ordinary shares available for issuance under the Plan increased by 4% of the Company's issued and outstanding ordinary shares as of January 1, 2023.

For the three months ended March 31, 2023, the Company granted 1,987,289 options to employees and directors with a weighted average grant date fair value of $2.01 and a weighted average exercise price of $2.53 per share. For the three months ended March 31, 2022, the Company granted 1,632,922 options to employees and directors with a weighted average grant date fair value of $3.75 and a weighted average exercise price of $11.24 per share. For the three months ended March 31, 2023, the Company canceled 57,970 options to employees and directors for forfeitures on unvested options when leaving the Company (March 31 2022: nil).

The fair value of each stock option issued to employees was estimated at the date of grant using the Black-Scholes model with the following weighted-average assumptions:

	Three months ended March 31,	
	2023	2022
Expected volatility	97.4 %	92.3 %
Expected term (years)	6.00	6.00
Risk-free interest rate	3.6 %	1.9 %
Expected dividend yield	— %	— %

As of March 31, 2023, 6,807,859 options with a weighted average exercise price of $9.69 were outstanding. As of March 31, 2023, there was $9.0 million unrecognized compensation cost related to stock options, which is expected to be recognized over a weighted average period of 2.1 years. As of March 31, 2022, 4,814,173 options with a weighted average exercise price of $9.52 were outstanding. As of March 31, 2022, there was $14.8 million unrecognized compensation expense related to stock options, which is expected to be recognized over a weighted average period of 2.36 years.

Share based compensation expense is classified in the unaudited condensed consolidated statements of operations and comprehensive loss as follows (in thousands):

	Three months ended March 31,	
	2023	2022
Research and development	$ 1,119	$ 842
General and administrative	1,103	3,142
Total	$ 2,222	$ 3,984

14. Commitments and Contingencies

In-License Agreements

The Company is party to a number of licensing agreements, most of which are with related parties. These agreements serve to provide the Company with the right to develop and exploit the counterparties' intellectual property for certain medical indications. As part of execution of these arrangements, the Company paid certain upfront fees, which have been expensed as incurred because the developing technology has not yet reached technical feasibility, the lack of alternative use, and the lack of proof of potential value. The agreements cover a variety of fields, including influenza, cancer, human papillomavirus infection, ("HPV"), hepatitis B virus ("HBV") and middle east respiratory syndrome ("MERS"). The Company's obligations for future payments under these arrangements are dependent on its ability to develop promising drug candidates, the potential market for these candidates and potential competing products, and the payment mechanisms in place in countries where the Company retains the right to sell. Each agreement provides for

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specific milestone payments, typically triggered by achievement of certain testing phases in human candidates, and future royalties ranging from 1 to 5% for direct sales of a covered product to 3 to 7% of net payments received for allowable sublicenses of technology developed by the Company. The obligation to make these payments is contingent upon the Company's ability to develop candidates for submission for phased testing and approvals, and for the development of markets for the products developed by the Company. The Company has not made or accrued any material payments under these license agreements during the three months ended March 31, 2023, and March 31, 2022.

Leases

The Company leases certain laboratory and office space under operating leases, which are described below.

The Harwell Science and Innovation Campus, Oxfordshire

On September 3, 2021, the Company entered into a lease agreement for the lease of approximately 31,000 square feet in Harwell, Oxfordshire which expires in September 2031. The property is the Company's corporate headquarters. As the Company's leases typically do not provide an implicit rate, the Company uses an estimate of its incremental borrowing rate based on the information available at the lease commencement date, being the rate incurred to borrow on a collateralized basis over a similar term at an amount equal to the lease payments in a similar economic environment. The Company has provided the lessor with a refundable security deposit of $0.7 million which is included in Other assets.

Germantown, Maryland

On June 14, 2022, the Company entered into a lease agreement for the lease of approximately 19,700 square feet in Germantown, Maryland. The site will house the Company's, state-of-the-art wet laboratory in the United States of America. The lease expires on February 28, 2034, with the Company having a single right to extend for an additional five years on the same terms and conditions other than for the base rent. The Company has a rent-free period up to February 29, 2024, and is entitled to up to $3.5 million for leasehold improvements to the premises desired by the Company. The Company has provided the lessor with a refundable security deposit of $0.2 million which is included in Other assets.

The Company recorded a right-of-use asset and a lease liability on the effective date of the lease term. The Company's right-of-use asset and lease liability are as follows (in thousands):

	March 31, 2023	December 31, 2022
Right-of-use asset	$ 7,723	$ 7,753
Operating lease liability, current	$ 649	$ 433
Operating lease liability, non-current	$ 10,005	$ 8,340
Weighted average remaining lease term (years)	9.71	9.44
Weighted average discount rate	7.6 %	7.6 %
Other information		
Short-term lease costs	$ 152	$ 529
Operating cash flows operating leases	$ 220	$ 1,081

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Future annual minimum lease payments under operating leases as of March 31, 2023, were as follows (in thousands):

Remainder of 2023	$ (1,457)
2024	1,752
2025	1,904
2026	1,928
2027	1,952
Thereafter	9,890
Total minimum lease payments	$ 15,969
Less: imputed interest	(5,315)
Total operating lease liability	$ 10,654

Other contingencies

As of the date of this Quarterly Report on Form 10-Q, we do not believe we are party to any claim or litigation the outcome of which, if determined adversely to us, would individually or in the aggreagate be reasonably expected to have a material adverse effect on our business. However, from time to time, we could be subject to various legal proceedings and claims that arise in the ordinary course of our business activities. Regardless of the outcome, legal proceedings can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

15. Related Party Transactions

During the three months ended March 31, 2023, the Company incurred $Nil expenses from its shareholder, Oxford Science Enterprises plc. During the three months ended March 31, 2022, the Company recognized net income of $55 thousand after offsetting lease costs for laboratory and office space in Oxford of $74 thousand, against a refund of $129 thousand from its shareholder, Oxford Science Enterprises plc.

During the three months ended March 31, 2023, the Company incurred expenses of $Nil (three months ended March 31, 2022: $1 thousand) to its shareholder, the University of Oxford, related to clinical study costs. As of March 31, 2023, the Company owed $Nil (December 31, 2022: $Nil) to the University of Oxford.

During the three months ended March 31, 2023, the Company incurred expenses of $98 thousand (three months ended March 31, 2022: $193 thousand) and recognized license revenue of $0.5 million (three months ended March 31, 2022: $15.0 million) from Oxford University Innovation Limited which is a wholly owned subsidiary of the Company's shareholder, the University of Oxford. As of March 31, 2023, the Company was owed $0.8 million (December 31, 2022: $5.5 million) from Oxford University Innovation Limited.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and the related notes appearing elsewhere in this unaudited Quarterly Report on Form 10-Q and our audited financial statements and related notes thereto for the year ended December 31, 2022 included in our Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the SEC on March 24, 2023. Some of the information contained in this discussion and analysis or set forth elsewhere in this report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks, uncertainties, and assumptions. Factors that might cause future results to differ materially from those projected in the forward-looking statements include, but are not limited to, those set forth in our Annual Report on Form 10-K and in other filings with the SEC.

Overview

We are a clinical-stage biopharmaceutical company engaged in the discovery and development of novel immunotherapeutics and vaccines for the treatment and prevention of infectious diseases, cancer, and autoimmunity. We aim to treat and prevent infectious diseases and cancer by using our proprietary platforms to develop product candidates that stimulate powerful, targeted immune responses against pathogens, infected cells, and tumor cells. We design these product candidates to stimulate immune responses that are robust, highly specific, and are differentiated by the magnitude of the T cell populations induced, which exhibit critical functionality and durability. In the field of autoimmunity, we use our proprietary platform to develop product candidates that are designed to induce regulatory T cells to suppress specific immune responses and prevent/reverse autoimmunity. We are focused on applying our platform capabilities and the expertise of our team to address significant unmet medical needs in two settings - the therapeutic setting, for the treatment of chronic infectious diseases, cancer, and autoimmunity and the prophylactic setting, for the prevention of infectious diseases, based on our platform's ability to respond rapidly to epidemic and pandemic threats.

We have a broad pipeline of both clinical and preclinical stage therapeutic and prophylactic programs. Our current therapeutic programs include VTP-300 for the treatment of chronic hepatitis B infection, or CHB, VTP-200 for the treatment of HPV, VTP-850 for the treatment of prostate cancer, VTP-600 for the treatment of non-small cell lung cancer, or NSCLC, VTP-1000 for treatment of celiac disease, and VTP-1100 for treatment of HPV-associated cancers. The latter two programs are designed to utilize our SNAPvax platform. Our current prophylactic programs include VTP-400 for the prevention of herpes zoster, or shingles, and VTP-500 for the prevention of MERS. In addition, we co-invented a COVID-19 vaccine with the University of Oxford, the rights to which we assigned to Oxford University Innovation, or OUI, to facilitate the license of those rights by OUI to AstraZeneca UK Limited, or AstraZeneca. The vaccine, formerly referred to as AZD1222, is now authorized for use under the marketing name Vaxzevria in a number of countries. AstraZeneca has exclusive worldwide rights to develop and commercialize Vaxzevria.

On May 4, 2021, we completed our initial public offering, or IPO, pursuant to which we issued and sold 6,500,000 American Depository Shares, or ADSs, at a public offering price of $17.00 per ADS, resulting in net proceeds of $102.8 million, after deducting underwriting discounts and commissions and offering expenses. Prior to our IPO, we funded our operations primarily from private placements of our ordinary and preferred shares, private placements of loan notes convertible into ordinary shares, as well as from grants and licensing agreements, research tax credit payments, investments from non-controlling interest, and a $2.4 million upfront payment from OUI in July 2020 in connection with the Amendment, Assignment and Revenue Share Agreement, or the OUI License Agreement Amendment, related to the licensing of the COVID-19 vaccine, Vaxzevria. We do not expect to generate revenue from any of our own product candidates, excluding Vaxzevria, until we obtain regulatory authorization for one or more of such product candidates, if at all, and commercialize our products, or we enter into out-licensing agreements with third parties.

On March 28, 2022, pursuant to the OUI License Agreement Amendment, we were notified of the commencement of payments, arising from AstraZeneca's commercial sales of Vaxzevria. Under the terms of an exclusive worldwide license agreement between OUI and AstraZeneca, OUI is entitled to milestone payments and royalties on commercial sales of Vaxzevria that began after the pandemic period. As part of the assignment from us to OUI, we are entitled to receive approximately 24% of payments received by OUI from AstraZeneca. For the three months ended March 31, 2023, we recognized $0.5 million as revenue (three months ended March 31, 2022: $15.0 million). There is, however, no guarantee that such payments will continue in the future and, if they do, that we will be notified of such payments in a timely manner.

On August 9, 2022, we filed a Registration Statement on Form S-3, as amended, or the Shelf, with the Securities and Exchange Commission in relation to the registration and potential future issuance of ordinary shares, including ordinary shares represented by ADSs, debt securities, warrants and/or units of any combination thereof in the aggregate amount of up to $200.0 million. The Shelf was declared effective on August 17, 2022. We also simultaneously entered into a sales agreement with Jefferies LLC, as sales agent, providing for the offering, issuance and sale by us of up to an aggregate of $75.0 million of our ordinary shares represented by ADSs from time to time in "at-the-market" offerings under the Shelf. As of March 31, 2023, we have sold 945,835 ordinary shares represented by ADSs under the sales agreement, amounting to net proceeds of $2.5 million.

We have incurred net losses each year since inception through to December 31, 2021. For the year ended December 31, 2022, we generated net income of $5.3 million, primarily as a result of revenues arising from AstraZeneca sales of Vaxzevria and our agreement with OUI. For the three months ended March 31, 2023, we incurred a net loss of $18.2 million. As of March 31, 2023, we had an accumulated deficit of $121.4 million and we do not currently expect positive cash flows from operations in the foreseeable future. We expect to incur net operating losses for at least the next several years as we advance our product candidates through clinical development, seek regulatory approval, prepare for approval, and in some cases proceed to commercialization of our product candidates, as well as continue our research and development efforts and invest to establish a commercial manufacturing facility, as and when appropriate.

At this time, we cannot reasonably estimate, or know the nature, timing and estimated costs of all of the efforts that will be necessary to complete the development of any of our product candidates that we develop through our programs. We are also unable to predict when, if ever, material net cash inflows will commence from sales of product candidates we develop, if at all. This is due to the numerous risks and uncertainties associated with developing product candidates to approval and commercialization, including the uncertainty of:

- successful completion of preclinical studies and clinical trials;
- sufficiency of our financial and other resources to complete the necessary preclinical studies and clinical trials;
- acceptance of investigational new drug applications, or INDs, for our planned clinical trials or future clinical trials;
- successful and timely enrollment and completion of clinical trials;
- data from our clinical program supporting approvable and commercially acceptable risk/benefit profiles for our product candidates in the intended populations;
- receipt and maintenance of necessary regulatory and marketing approvals from applicable regulatory authorities, in the light of the commercial environment then existent;
- availability and successful procurement of raw materials required to manufacture our products for clinical trials, scale-up of our manufacturing processes and formulation of our product candidates for later stages of development and commercial production;
- establishing either our own manufacturing capabilities or satisfactory agreements with third-party manufacturers for clinical supply for later stages of development and commercial manufacturing;
- entry into collaborations where appropriate to further the development of our product candidates;
- obtaining and maintaining intellectual property and trade secret protection or regulatory exclusivity for our product candidates as well as qualifying for, maintaining, enforcing and defending such intellectual property rights and claims;
- successfully launching or assisting with the launch of commercial sales of our product candidates following approval;
- acceptance of each product's benefits and uses by patients, the medical community and third-party payors following approval;
- the prevalence and severity of any adverse events experienced with our product candidates in development;

- establishing and maintaining a continued acceptable safety profile of the product candidates following approval;
- obtaining and maintaining healthcare coverage and adequate reimbursement from third-party payors if necessary or desirable; and
- effectively competing with other therapies.

A change in the outcome of any of these variables with respect to the development of a product candidate could mean a significant change in the costs and/or timing associated with the development of that product candidate or could prevent continuation of that program being in the company's interests. For example, if the FDA or another regulatory authority were to require us to conduct clinical trials beyond those that we anticipate will be required for the completion of clinical development of a product candidate, or if we experience significant delays in our clinical trials due to patient enrollment or other reasons, we might be required to expend significant additional financial resources and time on the completion of clinical development. In some circumstances, such as the emergence of a significantly more effective therapy from a competitor, it may be appropriate to discontinue a product candidate program. We expect that our cash balance as of March 31, 2023 will enable us to fund our operating expenses and capital requirements into the first quarter of 2025.

Recent Developments

VTP-300: An Immunotherapeutic Targeting Chronic HBV Infection

On March 28, 2023, we announced positive topline final data from the HBV002 phase 2 clinical trial. The completed trial, which included 55 patients with chronic hepatitis B, supported the generally favorable tolerability profile previously reported with VTP-300, with no incidents of VTP-300-related Grade 3 adverse events or product-related serious adverse events, or SAEs, following study dosing. VTP-300 was observed to induce meaningful, sustained reductions of Hepatitis B surface antigen (HBsAg) in patients with chronic HBV. Declines were most prominent in patients with lower baseline HbsAg. The final results of the immunology assays are currently being analyzed and the full data, including tolerability results and immunology pharmacodynamic biomarker readouts, will be presented at the upcoming European Association for the Study of the Liver (EASL) Congress, June 21-24, 2023.

VTP-200: Developing a Non-Invasive Treatment for Persistent High-Risk HPV

On April 20, 2023, our Chief Medical Officer, Dr. Meg Marshall, presented topline data from the VTP-200 HPV001 phase 1b/2 clinical trial at the 35th Annual International Papillomavirus Conference (IPVC). The poster showed data for 42 women at Day 35, 7 days after the last dose of VTP-200, split by active treatment versus placebo. VTP-200 was generally well-tolerated and was administered with no product-related grade 3 unsolicited adverse events and no product-related SAEs. While the placebo group

showed no antigen-specific T cell responses as measured by IFNg ELISpot, 26 of 29 women receiving varying doses of VTP-200 showed a response. The pooled active groups showed meaningful responses, with the average being greater than 1,000 spot-forming units per million peripheral blood mononuclear cells. Responses were strongest to the E1, E2 and E6 antigens. In addition, intracellular cytokine staining data from the active groups showed both CD4 and CD8 responses. The final dataset, including data on clearance of infection and cervical lesions at 12 months post-treatment, is expected in the second quarter of 2024.

Management Team

On April 28, 2023, we announced the that our Chief Operating Office, Chris Ellis has notified the Company that he intends to retire, effective October 31, 2023.

Impact of the Ukraine Crisis

In respect of the international situation in Ukraine, we have assessed the impact on the Company as minimal. We have no operations or suppliers based in Ukraine, Belarus, or Russia, and there is consequently no additional risk or negative impact on the unaudited condensed consolidated financial statements.

Impact of Global Economic Conditions and Inflationary Pressures

Instability in global economic conditions and geopolitical matters, as well as volatility in financial markets, could have a material adverse effect on the Company's results of operations and financial condition. These inflationary pressures and rising interest rates in the United States, the United Kingdom and elsewhere have given rise to increasing concerns that the U.S., U.K. and other economies are now in, or may soon enter, economic recession. Sustained inflationary pressures, increased interest rates, an economic recession or continued or intensified disruptions in the global financial markets could adversely affect our future financing capability or ability to access the capital markets. Additionally, we may incur future increases in operating costs due to additional inflationary increases.

Components of Our Operating Results

Revenue

To date, we have not generated any revenue from direct product sales and do not expect to do so in the near future, if at all. Most of our revenue to date has been derived from the OUI License Agreement Amendment with OUI relating to Vaxzevria.

In April 2020, we entered into the OUI License Agreement Amendment with OUI in respect of our rights to use the ChAdOx1 technology in COVID-19 vaccines to facilitate the license of those rights by OUI to AstraZeneca. Under this agreement, we are entitled to receive from OUI a share of payments, including royalties and milestones, received by OUI from AstraZeneca in respect of this vaccine. In March 2022, we were notified by OUI of the commencement of revenue relating to the commercial sales of Vaxzevria. Our revenue for the three months ending March 31, 2023 was $0.5 million (three months ending March 31, 2022: $15.0 million), representing the amounts we have been notified of as due by OUI to date and an estimate of future receipts, constrained to the extent that it is probable that a significant reversal of revenue would not occur.

We determined that we have no further performance obligations under the terms of the OUI License Agreement Amendment, which comprised the transfer of intellectual property rights only. Accordingly, we plan to recognize these and any future amounts as revenue when earned, and it is probable that a significant reversal of revenue will not occur.

Operating Expenses

Our operating expenses since inception have consisted of research and development costs and general and administrative costs.

Research and Development Expenses

Since our inception, we have focused significant resources on our research and development activities, including establishing and building on our adenovirus platform, further enhancing our in-licensed ChAdOx1, ChAdOx2 and MVA vectors, developing a new next-generation adenoviral vector, acquiring new technology platforms including SNAPvax, conducting preclinical studies, developing various manufacturing processes, and advancing clinical development of our programs including Phase 2 clinical trials for

VTP-100, which we subsequently discontinued development of, as well as initiating the clinical trials for VTP-200, VTP-300, VTP-600 and VTP-850 and readying VTP-500, VTP-1000 and VTP-1100 for clinical trials. Research and development activities account for a large portion of our operating expenses, and we expect research and development expenses to increase in the future. Research and development costs are expensed as incurred. These costs include:

- salaries, benefits, and other related costs, including share-based compensation, for personnel engaged in research and development functions;
- expenses incurred in connection with the development of our programs including preclinical studies and clinical trials of our product candidates, under agreements with third parties, such as consultants, contractors, academic institutions and CROs;
- the cost of manufacturing drug products for use in preclinical development and clinical trials, including agreements with third parties, such as CMOs, consultants and contractors;
- laboratory costs; and
- leased facility costs, equipment depreciation and other expenses, which include direct and allocated expenses.

General and Administrative Expenses

Our general and administrative expenses consist primarily of personnel costs, including share-based compensation, in our executive, finance, business development and other administrative functions. Other general and administrative expenses include consulting fees and professional service fees for auditing, tax and legal services, rent expenses related to our offices, depreciation, foreign exchange gains and losses on our cash balances and other central non-research costs. For the three month period ended March 31, 2023, we recognized a change in fair value in relation to the updated assumptions in the assessment of the contingent consideration fair value recognized from the acquisition of Avidea on December 10, 2021. Significant judgment is used to determine the probability of success of achievement of the technology and clinical milestones and the date of the expected milestone. We expect our general and administrative expenses to continue to increase in the future as we expand our operating activities in both the United Kingdom and United States and potentially prepare for manufacturing and/or commercialization of our current and future product candidates. These costs will increase as our headcount rises to allow full support for our operations as a public company, including increased expenses related to legal, accounting, regulatory and tax-related services associated with maintaining compliance with requirements of the Nasdaq Global Market and the Securities and Exchange Commission, directors' and officers' liability insurance premiums and investor relations activities.

Other Income (Expense)

Interest Income

Interest income results primarily from the interest earned on our short-term cash deposits and cash balances held by Vaccitech (UK) Limited in United States dollars.

Research and Development Incentives

Research and development incentives contain payments receivable from the United Kingdom government related to corporation tax relief on research and development projects in the United Kingdom. We account for such relief received as other income.

The Company benefits from the United Kingdom research and development tax credit regime, being the Small and Medium-sized Enterprises R&D tax relief program, or SME Program, and, to the extent that our projects are grant funded or relate to work subcontracted to us by third parties, the Research and Development Expenditure Credit program, or RDEC Program.

Under the SME program, the Company is able to surrender some of its trading losses that arise from qualifying research and development activities for a cash rebate of up to 33.35% of such qualifying research and development expenditure. Qualifying expenditures largely comprise employment costs for research staff, consumables, outsourced contract research organization costs and utilities costs incurred as part of research projects. Certain subcontracted qualifying research and development expenditures are eligible for a cash rebate of up to 21.67%. A large portion of costs relating to research and development, clinical trials and manufacturing activities are eligible for inclusion within these tax credit cash rebate claims.

The Company may not be able to continue to claim research and development tax credits under the SME program in the future because it may no longer qualify as a small or medium-sized company. In addition, the EU State Aid cap limits the total aid claimable in respect of a given project to €7.5 million which may impact the Company's ability to claim R&D tax credits in future. Further, the U.K. Finance Act of 2021 introduced a cap on payable credit claims under the SME Program in excess of £20,000 with effect from April 2021 by reference to, broadly, three times the total Pay As You Earn, or PAYE, and National Insurance Contributions, or NICs, liability of the company, subject to an exception which prevents the cap from applying. That exception requires the company to be creating, taking steps to create or managing intellectual property, as well as having qualifying research and development expenditure in respect of connected parties, which does not exceed 15% of the total claimed. If such an exception does not apply, this could restrict the amount of payable credit that we claim.

From April 2023 under the SME program the additional deduction will decrease from 130% to 86% and the SME credit rate will reduce from 14.5% to 10%.

Unsurrendered UK losses may be carried forward indefinitely to be offset against future taxable profits, subject to numerous utilization criteria and restrictions. The amount that can be offset each year is limited to £5.0 million plus an incremental 50% of UK taxable profits.

Critical Accounting Policies and Use of Estimates

This discussion and analysis of financial condition and results of operations is based on our unaudited condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. The preparation of unaudited condensed consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. On an ongoing basis, management evaluates its estimates, including those related to revenue, expenses, accruals and prepayments for external manufacturing of clinical trial material as well as clinical study conduct, fair value of contingent consideration, impairment of goodwill and intangible assets, and the fair value of ordinary shares and share-based compensation. Management bases its estimates on historical experience and on various other market-specific and relevant assumptions that management believes to be reasonable under the circumstances. Actual results could differ from those estimates.

We believe that the following accounting policies are critical to the process of making significant judgments and estimates in the preparation of our unaudited condensed consolidated financial statements and understanding and evaluating our reported financial results.

Recognition of Revenue from Contracts with Customers

In 2020, we entered into the OUI License Agreement Amendment with OUI to facilitate the license of our rights to the COVID-19 vaccine we co-invented with OUI to AstraZeneca, which is now known as Vaxzevria. Our performance obligations under the terms of this agreement are limited to the transfer of intellectual property rights (licenses and other rights). Payments by AstraZeneca to OUI under this agreement include an up-front payment, payments based upon the achievement of defined milestones, royalties on product sales, and may include payments of commercial and other milestones, if certain future conditions are met. We are entitled to receive approximately 24% of receipts, including royalties and milestones, received by OUI from that license agreement with AstraZeneca as set out in the OUI License Agreement Amendment.

We evaluate our collaboration and licensing arrangements pursuant to Accounting Standards Codification 606, or ASC 606. We use judgment to determine whether milestones or other variable consideration, except for sales-based royalties, should be included in the transaction price. For sales-based and clinical development milestones and royalties, when the license is deemed to be the predominant item to which the royalties relate, we recognize revenue at the later of (i) when the related sales or milestone achievement occurs or

(ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied). This could require management to estimate the amount of revenue to recognize in the period if the actual data for the period has not been provided.

Research and Development Costs

Research and development costs are expensed as incurred. Research and development expenses consist of costs incurred in performing research and development activities, including salaries and bonuses, share-based compensation, employee benefits, facilities costs, laboratory supplies, depreciation, manufacturing expenses and external costs of vendors engaged to conduct preclinical development activities and clinical trials as well as the cost of licensing technology. Advance payments for goods or services to be received in the future for use in research and development activities are recorded as prepaid expenses. The prepaid amounts are then expensed as the related goods are delivered or the services are performed. Research and development costs are accrued when the related services or goods are delivered ahead of being billed.

All patent-related costs incurred in connection with filing and prosecuting patent applications are classified as research and development costs and expensed as incurred due to the uncertainty about any future recovery of the expenditure. Upfront payments, milestone payments and annual payments made for the licensing of technology are generally expensed as research and development in the period in which they are incurred. Incremental sublicense fees triggered by contracts with customers are capitalized and expensed as research and development expenses over the period in which the relating revenue is recognized.

Share-based Compensation

We grant options and restricted shares to employees and directors and account for share-based compensation using a fair value method. All of these arrangements are settled in equity at a predetermined price and generally vest over a period of three years. All share options have a life of 10 years before expiration. To the extent such incentives are in the form of share options, up until the first quarter of 2021, the options may have been granted pursuant bilateral EMI option awards or unapproved option awards. On April 8, 2021, we adopted the Vaccitech plc Share Award Plan 2021 and the Vaccitech plc Non-Employee Sub-Plan which is a sub-plan of the Vaccitech plc Share Award Plan 2021. Under the terms of the Vaccitech plc Share Award Plan 2021, the Board is permitted to grant awards to employees as restricted share units, options, share appreciation rights or restricted shares. Upon adoption of the Vaccitech plc Share Award Plan 2021, no further awards are granted pursuant to the bilateral EMI option awards or unapproved option awards.

Share based compensation awards are measured at the grant date fair value. For service-based awards, compensation expense is generally recognized over the requisite service period of the awards, usually the vesting period. We apply the “multiple option” method of allocating expense. In applying this method, each vesting tranche of an award is treated as a separate grant and recognized on a straight-line basis over that tranche’s vesting period. For performance-based awards where the vesting of the awards may be accelerated upon the achievement of certain milestones, vesting and the related share-based compensation is recognized as an expense when it is probable the milestone will be met. We have elected to recognize the effect of forfeitures on share-based compensation when they occur. Any differences in compensation recognized at the time of forfeiture are recorded as a cumulative adjustment in the period where the forfeiture occurs.

We measure share-based awards granted to employees and directors based on the fair value on the date of grant using the Black-Scholes option-pricing model for options. Black-Scholes utilizes assumptions related to expected term, volatility, the risk-free interest rate and the dividend yield (which is assumed to be zero, as we have not paid any cash dividends). The volatility assumption utilizes both the Company’s historical volatility and those of a portfolio of listed peer companies, weighted towards the Company as we build the historical records following IPO.

The assumptions used in the Black-Scholes model to determine fair value for the share option grants during the three months ended March 31, 2023 and 2022 were:

	Three months ended March 31, 2023	Three months ended March 31, 2022
Expected volatility	97.4 %	92.3 %
Expected term (years)	6.00	6.00
Risk-free interest rate	3.6 %	1.9 %
Expected dividend yield	0.0 %	0.00 %

For the three months ended March 31, 2023, 1,987,289 share options were granted and 1,632,922 share options were granted for the three months ended March 31, 2022.

Business Combinations

We acquired Avidea on December 10, 2021 and have accounted for the acquisition using the acquisition method of accounting. This required us to assess and make judgments as to whether the acquisition met the criteria of a business combination or an asset acquisition. In determining that the acquisition of Avidea met the criteria of a business combination we first used the “screen test” to assess whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. As the “screen test” was not met, as the identifiable assets were not substantially all of the fair value of the gross assets acquired, we then applied the “framework” for determining whether the acquired assets included at minimum, an input and substantive process that together significantly contribute to the ability to create output. We concluded that the framework criteria are met because the scientists make up an organized workforce that has the necessary skills, knowledge, or experience to perform processes that when applied to the developed technology (input) is critical to the ability to undertake research and development of a product that can be provided to a customer. The more than-insignificant amount of goodwill (including the fair value associated with the workforce) was also an indicator that management considered in determining that the workforce is performing a critical process. We therefore determined the acquisition to meet the definition of a business combination.

We recognize tangible and identifiable intangible assets acquired and liabilities assumed at their estimated fair values as of the acquisition date. Any excess purchase price over the estimated fair value assigned to the net tangible and identifiable intangible assets acquired and liabilities is allocated to goodwill.

We acquired Avidea for an up-front amount of $32.8 million (after working capital adjustments), of which $11.8 million was payable in cash and $21.0 million in 2,151,831 of American Depositary Shares of the Company. In addition, Avidea’s stockholders may be entitled to receive an aggregate of up to $40.0 million in additional payments, payable in a mixture of cash and ADSs, upon the achievement of certain milestones. This contingent consideration is included within the purchase price and is recognized at its fair value on the acquisition date, and subsequently remeasured to fair value at each reporting date until the contingency is resolved. Changes in fair value are recognized in earnings in the condensed consolidated statements of operations and comprehensive loss. The fair value of contingent consideration is based on the probability of pursuit of the activity associated with the milestone, the probability of success of the achievement of the milestone, the expected date of milestone achievement and applying the relevant discount rate.

Transaction costs are expensed as incurred in general and administrative expenses. Results of operations and cash flows of acquired companies are included in our operating results from the date of acquisition.

Goodwill and Purchased Intangible Asset

We test goodwill for impairment at least annually or more frequently if events or changes in circumstances indicate that the carrying amount of goodwill may not be recoverable. We have elected to assess goodwill for impairment by first performing a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis of determining whether it is necessary to perform the quantitative goodwill impairment test. We have one reporting unit. Accordingly, our review of goodwill impairment indicators is performed at the entity-wide level. This requires us to assess and make judgments regarding a variety of factors, including clinical data results, business plans, anticipated future cash flows, economic projections and other market data. Because there are inherent uncertainties involved in these factors, significant differences between these estimates and actual results could result in future impairment charges and could materially impact our future financial results.

The goodwill of $12.2 million recognized to March 31, 2023 wholly relates to the acquisition of Avidea on December 10, 2021. During the year ended December 31, 2022, the Company identified qualitative indicators of impairment due to a sustained decline in the price of the Company's American Depositary Shares, whereby the market capitalization fell below the value of the net assets of the Company, which continued through to the first quarter of 2023. Therefore, the Company performed an interim assessment as of March 31, 2023 to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. Based off this assessment, the Company has not recognized any impairment losses related to goodwill or intangible assets for the three months ending March 31, 2023.

Results of Operations

Comparison of the Three Months Ended March 31, 2023 and 2022

The following table sets forth the significant components of our results of operations (in thousands):

	Three months ended March 31, 2023	Three months ended March 31, 2022	Change
Revenue from Licenses, Grants & Services	$ 468	$ 15,018	$ (14,550)
Operating expenses:			
Research & development	9,814	10,701	(887)
General and administrative	12,138	3,663	8,475
Total operating (income)/expenses	21,952	14,364	7,588
(Loss)/income from operations	(21,484)	654	(22,138)
Other income (expense)			
Interest income	1,588	83	1,505
Interest expense	—	(74)	74
Research and development incentives	1,157	1,048	109
Total other income	2,745	1,057	1,688
(Loss)/profit before income tax	(18,739)	1,711	(20,450)
Tax benefit	516	863	(347)
Net (loss)/income	$ (18,223)	$ 2,574	$ (20,797)

Revenue

For the three months ended March 31, 2023, and 2022, our revenue consisted of $0.5 million and $15.0 million respectively, primarily from the OUI License Agreement Amendment with respect to payments from OUI in connection with commercial sales of Vaxzevria, which reduced due to lower sales in the period.

Research and Development Expenses

The following table summarizes our research and development expenses for the three months ended March 31, 2023 and 2022 (in thousands):

	Three months ended March 31, 2023	Three months ended March 31, 2022	Change
Direct research and development expenses by program:			
VTP-200 HPV	$ 1,338	$ 1,156	$ 182
VTP-300 HBV	2,118	4,185	(2,067)
VTP-600 NSCLC	275	162	113
VTP-850 Prostate cancer	215	1,339	(1,124)
VTP-1000/VTP-1100 (SNAPvax candidates)	1,572	—	1,572
Other and earlier stage programs	280	739	(459)
Total direct research and development expenses	5,798	7,581	(1,783)
Internal research and development expenses:			
Personnel-related (including share-based compensation)	3,601	2,726	875
Facility related	371	340	31
Other internal costs	44	54	(10)
Total internal research and development expenses	4,016	3,120	896
Total research and development expenses	$ 9,814	$ 10,701	$ (887)

Our research and development expenses for the three months ended March 31, 2023 and 2022 were $9.8 million and $10.7 million, respectively.

Direct expenses for the three months ended March 31, 2023 and 2022 were $5.8 million and $7.6 million, respectively, and consisted of outside services, consultants, laboratory materials, clinical trials, manufacturing of clinical trial materials, as well as costs for external preclinical services and sample testing. Of the $1.8 million decrease, $2.1 million pertains to VTP-300, as a result of completing the HBV002 Phase 2 clinical trial with topline data announced in March 2023, and continuing enrollment in the HBV003 Phase 2 clinical and the AB-729-202 Phase 2a clinical collaboration with Arbutus. $1.1 million of the decrease pertains to VTP-850, which progressed to FDA clearance of our IND for PCA001 in December 2022, and is screening patients currently. These decreases were offset by a $1.5 million increase that pertains to the commencement of VTP-1000 Celiac disease and VTP-1100 HPV cancer programs in the second quarter of 2022.

Internal research and development expenses for the three months ended March 31, 2023 and 2022 were $4.0 million and $3.1 million, respectively. Of the $0.9 million increase, $0.9 million pertains to personnel-related expenses as a result of the relative increase in headcount across locations in the United Kingdom and United States.

General and Administrative Expenses

General and administrative expenses for the three months ended March 31, 2023 were $12.1 million mainly attributable to personnel expense of $3.4 million, including share-based payment charge of $1.1 million, foreign exchange loss of $3.5 million, insurance cost of $1.6 million, legal and professional fees of $1.2 million and other expenses of $1.8 million.

General and administrative expenses for the three months ended March 31, 2022 were $3.7 million, which were mainly attributable to personnel expenses of $4.3 million, including the share-based payment charge of $3.1 million, insurance costs of $1.7 million and legal and professional fees of $1.3 million, netted by unrealized foreign exchange gain on cash balances of $5.3 million.

Interest Income

For the three months ended March 31, 2023, interest income was $1.6 million resulting from the interest earned on our short-term cash deposits held by Vaccitech (UK) Limited in United States dollars. For the three months ended March 31, 2022, interest income was less than $0.1 million.

Research and Development Incentives

For the three months ended March 31, 2023 and 2022 research and development incentives were $1.2 million and $1.0 million, respectively. Such research and development incentives relate to corporation tax relief on research and development projects incentive programs in the United Kingdom.

Tax benefit

For the three months ended March 31, 2023 and 2022, the tax benefit was $0.5 million and $0.9 million respectively, which primarily relates to movements in deferred tax.

Liquidity and Capital Resources

Sources of Liquidity

Since our inception, we have funded our operations primarily through private and public placements of our ordinary and preferred shares as well as from grants and research incentives, various agreements with public funding agencies, the issuance of convertible loan notes, and most recently from upfront, royalty and milestone payments from OUI in connection with the OUI License Agreement Amendment. Through March 31, 2023, we had received gross proceeds of approximately $327.3 million from the issuance of our ordinary and preferred shares and convertible loan notes. As of March 31, 2023, we had cash and cash equivalents of $191.3 million. Key financing and corporate milestones include the following:

- In March 2016, we raised gross proceeds of approximately $14.0 million from the issuance of our seed round of ordinary shares;
- Between November 2017 and December 2018, we raised gross proceeds of $33.9 million from the issuance of our series A shares;
- Between July 2020 and November 2020, we raised gross proceeds of $41.2 million from the issuance of convertible loan notes;
- In March 2021, we raised gross proceeds of $125.2 million from the issuance of our series B shares;
- In May 2021, we raised gross proceeds of $110.5 million from the initial public offering of our ordinary shares on NASDAQ;
- Between April 2022 and March 2023, we received $43.4 million of cash from OUI for the commercial sales of Vaxzevria;
- Between December 2022 and March 2023, we raised net proceeds of $2.5 million from the issuance of shares represented by ADSs through “at-the-market” offerings under the sales agreement with Jefferies LLC.

On August 9, 2022, we filed a Registration Statement on Form S-3, as amended, or the Shelf, with the Securities and Exchange Commission in relation to the registration and potential future issuance of ordinary shares, including ordinary shares represented by ADSs, debt securities, warrants and/or units of any combination thereof in the aggregate amount of up to $200.0 million. The Shelf was declared effective on August 17, 2022. We also simultaneously entered into a sales agreement with Jefferies LLC, as sales agent, providing for the offering, issuance and sale by us of up to an aggregate of $75.0 million of our ordinary shares represented by ADSs from time to time in “at-the-market” offerings under the Shelf. As of March 31, 2023, we have sold 945,835 ordinary shares represented by ADSs under the sales agreement amounting to net proceeds of $2.5 million.

We do not currently expect positive cash flows from operations in the foreseeable future, if at all. Historically, we have incurred operating losses as a result of ongoing efforts to develop our heterologous ChAdOx1-MVA prime-boost immunotherapy platform and our product candidates, including conducting ongoing research and development, preclinical studies, clinical trials, providing general and administrative support for these operations and developing our intellectual property portfolio. We expect to continue to incur net negative cash flows from operations for at least the next few years as we progress clinical development, seek regulatory approval, prepare for and, if approved, proceed to manufacture and commercialization of our most advanced product candidates. Operating profits may arise earlier if programs are licensed or sold to third parties before final approval, but this cannot be guaranteed.

Cash Flows

The following table sets forth a summary of the primary sources and uses of cash (in thousands) for each period presented:

	Three months ended March 31, 2023	Three months ended March 31, 2022
Net cash used in operating activities	$ (3,174)	$ (6,579)
Net cash used in investing activities	(2,507)	(1,092)
Net cash provided by/(used in) financing activities	1,689	(159)
Effect of exchange rates on cash and cash equivalents	935	(5,628)
Net (decrease)/increase in cash and cash equivalents	$ (3,057)	$ (13,458)

Cash Used in Operating Activities

During the three months ended March 31, 2023, net cash used in operating activities was $3.2 million, primarily resulting from our net loss of $18.2 million adjusted by share based compensation of $2.2 million, depreciation and amortization of $1.2 million, foreign exchange gain of $3.5 million, and changes in our operating assets and liabilities, net of $8.3 million.

During the three months ended March 31, 2022, net cash used in operating activities was $6.6 million, primarily resulting from our net income of $2.6 million, adjusted by share based compensation of $3.9 million, depreciation of $1.0 million and changes in our operating assets and liabilities, net of $13.6 million.

Net Cash Used in Investing Activities

During the three months ended March 31, 2023, cash used in investing activities was $2.5 million primarily resulting from capital expenditures related to leasehold improvements on our new office in Germantown, Maryland, United States. During the three months ended March 31, 2022, cash used in investing activities was $1.1 million, primarily resulting from capital expenditure related to our corporate headquarters in Harwell, United Kingdom.

Net Cash Provided by/(Used in) Financing Activities

During the three months ended March 31, 2023, cash provided by financing activities was $1.7 million mainly as a result of net proceeds from the issuance of ordinary shares through the “at-the-market” sales agreement. During the three months ended March 31, 2022, cash used in financing activities was $0.2 million from the repayment of debt incurred previously by the acquired company Avidea (acquired on December 10, 2021, and subsequently became Vaccitech North America, Inc.).

Effect of exchange rates on cash and cash equivalents

During the three months ended March 31, 2023 and 2022, the effect of foreign exchange on cash and cash equivalents was gain of $1.0 million and loss of $5.6 million respectively, primarily as a result of fluctuations between the United States dollar and pound sterling exchange rates.

Future Funding Requirements

To date, we have devoted substantially all of our resources to organizing and staffing our company, business planning, raising capital, undertaking preclinical studies and conducting clinical trials of our product candidates. As a result, we have incurred losses in each year since our inception in 2016, through to December 31, 2021. We were profitable in 2022, however we have negative operating cash flows as March 31, 2023. As of March 31, 2023, we had an accumulated deficit of $121.4 million. We expect to continue to incur significant losses and negative cash flows from operations for the foreseeable future. We anticipate that our expenses will increase substantially as we:

- pursue the clinical and preclinical development of our current product candidates;
- use our technologies to advance additional product candidates into preclinical and clinical development;

- seek marketing authorizations for product candidates that successfully complete clinical trials, if any;
- attract, hire and retain additional clinical, regulatory, quality control and other scientific personnel;
- establish our manufacturing capabilities through third parties or by ourselves and scale-up manufacturing to provide adequate supply for clinical trials and commercialization, including any manufacturing finishing and logistics personnel;
- expand our operational, financial and management systems and increase personnel appropriately, including personnel to support our manufacturing and commercialization efforts and our operations as a public company;
- maintain, expand, enforce, and protect our intellectual property portfolio as appropriate;
- establish sales, marketing, medical affairs and distribution teams and infrastructure to commercialize any products for which we may obtain marketing approval and intend to commercialize on our own or jointly;
- acquire or in-license other companies, product candidates and technologies; and
- incur additional legal, accounting and other expenses in operating our business, including office expansion and the additional costs associated with operating as a public company.

Even if we succeed in commercializing one or more of our product candidates, we will continue to incur substantial research and development and other expenditure to develop and market additional product candidates. We may encounter unforeseen expenses, difficulties, complications, delays and other factors that may adversely affect our business. The size of our future net losses will depend on the rate of future growth of our expenses combined with our ability to generate revenue. Our prior losses and expected future losses have had and will continue to have an adverse effect on our shareholders' equity and working capital unless and until eliminated by revenue growth.

We may require substantial additional financing in the future to meet any such unanticipated factors and a failure to obtain this necessary capital could force us to delay, limit, reduce or terminate our product development programs, commercialization efforts or other operations.

Since our foundation, we have invested a significant portion of our efforts and financial resources in research and development activities for our ChAdOx1, ChAdOx2 and MVA technologies, acquisition of additional complementary platforms such as SNAPvax, development of new technologies in house, and our product candidates derived from these technologies. Preclinical studies and especially clinical trials and additional research and development activities will require substantial funds to complete. We believe that we will continue to expend substantial resources for the foreseeable future in connection with the development of our current product candidates and programs as well as any future product candidates we may elect to pursue, as well as the gradual gaining of control over our required manufacturing capabilities and other corporate functions. These expenditures will include costs associated with conducting preclinical studies and clinical trials, obtaining regulatory approvals, and potentially in-house manufacturing and supply, as well as marketing and selling any products approved for sale. In addition, other unanticipated costs may arise as outlined above. Because the outcome of any preclinical study or clinical trial is uncertain and the rate of change of third-party costs is also unpredictable, we cannot reasonably estimate now the actual amounts which will be necessary to complete the development and commercialization of our current or future product candidates successfully.

Our future capital requirements may depend on many factors, including:

- the scope, progress, results and costs of researching and developing our current and future product candidates and programs, and of conducting preclinical studies and clinical trials;
- the number and development requirements of other product candidates that we may pursue, and of other indications for our current product candidates that we may pursue;
- the stability, scale and yield of future manufacturing processes as we scale-up production and formulation of our product candidates either internally or externally for later stages of development and commercialization;

- the timing of success achieved and the costs involved in obtaining regulatory and marketing approvals and developing our ability to establish license or sale transactions and/or sales and marketing capabilities, if any, for our current and future product candidates if clinical trials and approval processes are successful;

- the success of our collaborations with CanSino, CRUK and the Ludwig Institute and any future collaboration partners;

- the success of OUI's licensed product candidate with AstraZeneca;

- our ability to establish and maintain collaborations, strategic licensing or other arrangements and the financial terms of such agreements;

- the cost to the company of commercialization activities for our current and future product candidates that we may take on, whether alone or with a collaborator;

- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent and other intellectual property claims, including litigation costs and the outcome of such litigation;

- the timing, receipt and amount of sales of, or royalties or other income from, our future products, if any; and

- the emergence and success or otherwise of competing oncology and infectious disease therapies and other market developments.

A change in the outcome of any of these or other variables with respect to the development of any of our current and future product candidates could significantly change the costs and timing associated with the development of that product candidate, in either direction. Furthermore, our operating plans may change in the future owing to research outcomes or other opportunities, and we may need additional funds to meet operational needs and capital requirements associated with such altered operating plans. Unless and until we can generate a substantial amount of revenue from our product candidates, we expect to finance our future cash needs through public or private equity offerings, debt financings, collaborations, licensing arrangements or other sources, or any combination of the foregoing.

Based on our research and development plans, we expect that our existing cash and cash equivalents, will enable us to fund our operating expenses and capital expenditure requirements into the first quarter of 2025. These estimates are based on assumptions that may prove to be wrong, and we could use our available capital resources more quickly than we expect.

If we raise additional funds through collaborations, strategic alliances, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds when needed, we would be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

Lease, Purchase, and Other Obligations

We have operating lease obligations related to our property, plant and equipment. The obligations related to both short- and long-term lease arrangements are set forth in Note 14 "Commitment and Contingencies" to our condensed consolidated financial statements.

We enter into contracts in the normal course of business with CROs and other third parties for clinical trials and preclinical research studies and testing. These contracts are generally cancellable by us upon prior notice. Payments due upon cancellation consist only of payments for services provided or expenses incurred, including noncancellable obligations of our service providers, up to the date of cancellation.

We have contingent payment obligations that we may incur upon achievement of clinical, regulatory and commercial milestones, as applicable, or royalty payments that we may be required to make under our licenses; however, the amount, timing and likelihood of such payments are not known as of March 31, 2023.

Emerging Growth Company Status

We are an emerging growth company under the Jumpstart Our Business Startups Act of 2012, as amended, or the JOBS Act. As an emerging growth company, we may delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

We will remain an emerging growth company until the earliest of (1) the last day of the fiscal year (a) following the fifth anniversary of the date of the closing of our IPO, (b) in which we have total annual gross revenue of at least $1.07 billion, or (c) in which we are deemed to be a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our ADSs held by non-affiliates exceeded $700.0 million as of the prior June 30th, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period.

Recent Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2 to our condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosure About Market Risk

Foreign Currency and Currency Translation

We are subject to the risk of fluctuations in foreign currency exchange rates, specifically with respect to the euro, pound sterling, Swiss franc and Australian dollar. Our reporting currency is the United States dollar, and the functional currency of Vaccitech plc and its consolidated subsidiaries, Vaccitech (UK) Limited and Vaccitech Oncology Limited, is the pound sterling. The functional currency of our wholly owned foreign subsidiary, Vaccitech North America, Inc. is the United States dollar. The functional currency of our wholly owned foreign subsidiary, Vaccitech Australia Pty, is the Australian dollar. The functional currency of our wholly owned foreign subsidiary, Vaccitech Italia S.R.L, is the euro. The functional currency of our wholly owned foreign subsidiary, Vaccitech Switzerland GmbH, is the Swiss franc. Our cash and cash equivalents as of March 31, 2023 consisted primarily of cash balances held by Vaccitech (UK) Limited in United States dollars.

Assets and liabilities are translated into United States dollars at the exchange rate in effect on the balance sheet date. Revenue and expenses are translated at the average exchange rate in effect during the period. Translation adjustments are included in the condensed consolidated Balance Sheets as a component of accumulated other comprehensive loss. Adjustments that arise from exchange rate changes on transactions denominated in a currency other than the local currency are included in operating expenses, net in the condensed consolidated Statements of Operations and Comprehensive Loss as incurred.

We incur significant operating costs in the UK and face exposure to changes in the exchange ratio of the United States dollar and the pound sterling arising from expenses and payables at our UK operations that are settled in pound sterling. For the three months ended March 31, 2023, an average 10% weakening in the United States dollar relative to the pound sterling would have resulted in an increase to our expenses denominated in pound sterling of approximately $2.2 million, as compared to an increase in our expenses of approximately $1.4 million in the three months ended March 31, 2022.

Interest Rate Sensitivity

We are not currently exposed significantly to market risk related to changes in interest rates, as we have no significant interest-bearing liabilities. We had cash and cash equivalents of $191.3 million as of March 31, 2023, which were primarily held as account balances with banks in the United Kingdom, United States and Australia. A hypothetical 10% relative change in interest rates during any of the periods presented would not have had a material impact on our condensed consolidated financial statements.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2023. Based on this evaluation, we concluded that as of March 31, 2023 our disclosure controls and procedures were not effective due to the material weaknesses previously identified and disclosed, not being remediated as of March 31, 2023. The term "disclosure controls and procedures", means controls and other procedures of a company that are designed to provide reasonable assurance that the information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that the information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Management previously reported, in our Annual Report on Form 10-K for the year ended December 31, 2022, material weaknesses in our internal control over financial reporting related to: (i) our IT general control environment has not been sufficiently designed to include appropriate user access rights, and design and implementation of controls over program development, program changes and computer operations, and (ii) policies and procedures with respect to the review, supervision and monitoring of our accounting and reporting functions were either not designed and in place or not operating effectively.

Remediation Efforts

During fiscal year 2022, we undertook efforts to remediate previously disclosed material weaknesses, including assessing and identifying risks to financial reporting over all business processes impacting financial reporting and implementation of controls over critical accounting policies and estimates. Some business process controls over critical accounting policies and estimates established in the fiscal year that were dependent on systems without effective IT general controls were deemed ineffective because they could be adversely impacted by the lack of system controls. Our internal control remediation efforts continue into fiscal year 2023 and focus on the areas detailed below.

Planned Remediation Activities

(i) IT general controls

We are taking measures to address the IT environment through the implementation of a new enterprise resource planning, or ERP system and controls over program development, program changes, computer operations and access rights. We have implemented the new ERP system for the U.K. Company in the first quarter of 2023, and plan to rollout implementation of the new ERP system to the U.S. Company later in 2023.

For the new ERP system and all other IT systems deemed significant to financial reporting, we plan to implement: (i) program change management controls to ensure that IT program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized, and implemented appropriately; (ii) user access controls to ensure appropriate segregation of duties exist, to adequately restrict user and privileged access to certain financial applications, programs and data to appropriate company personnel; (iii) computer operations controls to ensure that critical batch jobs are monitored and data backups are authorized and monitored, (iv) testing and approval controls for program development to ensure that changes are aligned with business and IT requirements, and (v) identification and testing of system-generated information and calculations used in the execution of manual controls.

(ii) policies and procedures with respect to the review, supervision and monitoring of our accounting and reporting functions

We are taking measures to address this material weakness, which includes hiring appropriate personnel whose roles are to enhance policies and procedures with respect to the review, supervision, formalization and monitoring of our accounting and reporting functions. Additionally, we plan to enhance business process controls through the following activities:

- continue to evaluate and refine the design, implementation, and documentation of the internal controls to ensure controls address the relevant risks, are properly designed, and provide appropriate evidence of the Company's performance;
- enhance the design of controls that address the completeness and accuracy of reports being utilized in the execution of internal controls;
- continue to evaluate the assignment of responsibilities associated with the performance of control activities and consider hiring additional resources, obtaining third party assistance, or providing additional training to existing resources; and
- further develop and execute a testing protocol that allows the Company to validate the operating effectiveness of certain controls over financial reporting to gain assurance that such controls are presented and functioning as designed.

As we monitor and evaluate our internal control over financial reporting, we will continue to assess the effectiveness of our remediation plan and prioritize our resources.

Notwithstanding the ineffective disclosure controls and procedures as a result of the identified material weaknesses, management has concluded that the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q present fairly, in all material respects, the Company's financial position, results of operations and cash flows in accordance with U.S. GAAP.

Changes in Internal Control over Financial Reporting

Other than the changes related to the ongoing remediation activities related to the material weaknesses noted above, no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the three months ended March 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may become subject to various legal proceedings and claims that arise in the ordinary course of our business activities. Although the results of litigation and claims cannot be predicted with certainty, as of March 31, 2023, we do not believe we are party to any claim or litigation the outcome of which, if determined adversely to us, would individually or in the aggregate be reasonably expected to have a material adverse effect on our business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 1A Risk Factors.

There have been no material changes from the risk factors previously disclosed in the Company's most recent Annual Report on Form 10-K as filed with the SEC on March 24, 2023.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report contains express or implied forward-looking statements that involve substantial risks and uncertainties. In some cases, you can identify forward-looking statements by the words "may," "might," "will," "could," "would," "should," "expect," "intend," "plan," "objective," "anticipate," "believe," "estimate," "predict," "potential," "continue," "ongoing," or the negative of these terms, or other comparable terminology intended to identify statements about the future. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. The forward-looking statements and opinions contained in this Quarterly Report are based upon information available to our management as of the date of this Quarterly Report and, while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. Forward-looking statements contained in this Quarterly Report include, but are not limited to, statements about:

- the success, cost and timing of our product development activities and clinical trials;
- the timing, scope or likelihood of regulatory filings and approvals, including timing of Investigational New Drug Application and Biological License Application filings for our current and future product candidates, and final U.S. Food and Drug Administration, European Medicines Agency, United Kingdom Medicines and Healthcare products Regulatory Agency or other foreign regulatory authority approval of our current and future product candidates;
- our ability to develop and advance our current and future product candidates and programs into, and successfully complete, clinical trials;
- our ability to establish future or maintain current collaborations or strategic relationships or obtain additional funding;
- the rate and degree of market acceptance and clinical utility of our current and future product candidates;
- any expectations surrounding the payments we could potentially receive pursuant to the AstraZeneca License Agreement;
- the ability and willingness of our third-party collaborators to continue research and development activities relating to our product candidates;
- our and our collaborators' ability to obtain, maintain, defend and enforce our intellectual property protection for our product candidates, and the scope of such protection;
- our manufacturing, commercialization and marketing capabilities and strategy;

- future agreements with third parties in connection with the commercialization of our product candidates and any other approved products;
- regulatory developments in the United States and foreign countries;
- competitive companies, technologies and our industry and the success of competing therapies that are or may become available;
- our ability to attract and retain key scientific or management personnel;
- our ability to obtain funding for our operations, including funding necessary to complete further development and commercialization of our product candidates;
- the accuracy of our estimates of our annual total addressable markets, future revenue, expenses, capital requirements and needs for additional financing;
- our expectations about market trends;
- the impact of global economic and political developments on our business, including rising or sustained high inflation and capital market disruptions, the current conflict in Ukraine, disruptions in the banking industry, economic sanctions and economic slowdowns or recessions that may result from such developments which could harm our research and development efforts as well as the value of our ordinary shares and ability to access capital markets; and
- our expectations regarding the period during which we qualify as an emerging growth company under the Jumpstart Our Business Startups Act of 2012, as amended.

If our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. You should read this Quarterly Report and the documents that we reference in this Quarterly Report with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements in this Quarterly Report by these cautionary statements.

This Quarterly Report contains summaries of certain provisions contained in some of the documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Unless the context otherwise requires, reference in this Quarterly Report to the terms “Vaccitech,” “the Company,” “we,” “us,” “our,” and similar designations refer to Vaccitech plc and, where appropriate, our wholly-owned subsidiaries.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Set forth below is information regarding shares of equity securities sold, and options granted, by us during the three months ended March 31, 2023 that were not registered under the Securities Act.

Recent Sales of Unregistered Equity Securities

None.

Use of Proceeds from Initial Public Offering

On May 4, 2021, we completed our initial public offering, or the IPO, of 6,500,000 ADSs at a price of $17.00 per ADS for an aggregate offering price of approximately $110.5 million. Morgan Stanley & Co., Jefferies LLC, Barclays Capital Inc., William Blair & Company, L.L.C. and H.C. Wainwright & Co., LLC served as the underwriters of the IPO. The offer and sale of all of the ADSs in the offering were registered under the Securities Act pursuant to a registration statement on Form S-1 (File No. 333-255158), which became effective on April 29, 2021.

We received aggregate net proceeds from the offering of approximately $102.8 million, after deducting underwriting discounts and commissions, as well as other offering expenses. No offering expenses were paid directly or indirectly to any of our directors or officers (or their associates) or persons owning ten percent or more of any class of our equity securities or to any other affiliates.

There has been no material change in our planned use of the net proceeds from the IPO as described in the final prospectus filed with the SEC pursuant to Rule 424(b) under the Securities Act.

Item 3. Defaults Upon Senior Securities.

Not Applicable.

Item 4. Mine Safety Disclosures.

Not Applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description
3.1	Articles of Association of the Registrant (Incorporated herein by reference to Exhibit 3.1 to the Registrant's Form 8-K (File No. 001-40367) filed with the Securities and Exchange Commission on May 10, 2021).
10.1*	Employment Agreement by and between Vaccitech Switzerland GmbH and Nadège Pelletier, effective February 1, 2023
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted in as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101)

* Filed herewith.

** This certification will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent specifically incorporated by reference into such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VACCITECH PLC

Date: May 12, 2023

By: /s/ William Enright
William Enright
Chief Executive Officer
(Principal Executive Officer)

Date: May 12, 2023

By: /s/ Gemma Brown
Gemma Brown
Chief Financial Officer
(Principal Financial
and Accounting Officer)

Employment Agreement

dated 23 January, 2023

by and between

/s/ William Enright

Vaccitech Switzerland GmbH
c/o Walder Wyss AG
Aeschenvorstadt 48
4051 Basel
Switzerland (the **Company**)

and

/s/ Nadege Pelletier

Nadege Pelletier (the **Employee**)

(The Company and the Employee are also referred to as **Party** or **Parties**)

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Employment Agreement

1. Takeover of Employment Agreement / Release and Waiver

The Parties acknowledge that the Company has been incorporated on 18 January 2023. The newly incorporated Company hereby explicitly takes over the former employment agreement concluded between the Company (in formation) and the Employee on 26/28 September 2022 with all its liabilities.

The Employee hereby fully releases and discharges the founders of the Company, in particular William Enright, from any and all claims and/or obligations and acknowledges and agrees that she has no further rights or claims resulting from the employment relationship and/or the employment agreement dated 26/28 September 2022 against them.

2. Condition Precedent

This employment agreement (the **Employment Agreement**) and the employment relationship (the **Employment**) created thereby are conditional on the grant of the necessary work permit, if any, by the competent Swiss authorities on the scheduled Commencement Date (as defined below).

If the necessary work permit is not granted on the scheduled Commencement Date, the start date of the Employment shall, without payment, be postponed to the moment where the Employee receives the respective permit. If the necessary permit is not granted until three months after the scheduled Commencement Date, this Employment Agreement shall, with the exception of the clauses relating to applicable law and confidentiality, be considered ineffective.

Furthermore, the Employee shall be responsible for the existence of a valid work permit for the entire duration of the Employment. If the work permit expires or is revoked during the Employment, the Employee shall immediately inform the Company thereof. The Employee shall compensate the Company for all damages resulting from the non-existence of the permit.

3. Commencement Date

The Employment of the Employee starts (unless otherwise agreed by the parties) on 1 February 2023 (the **Commencement Date**). It shall be concluded for an indefinite period.

4. Function and Job Title

The Employee shall assume the function as Chief Scientific Officer (CSO) and shall be working 100%. The function and/or the job title may be adjusted by the Company at any time to reflect current circumstances.

The employee shall be supported by an executive coach in adjusting to the CSO role.

5. Group Structure

The Employee acknowledges that the Company is part of a group of companies ultimately controlled by Vaccitech PLC (each such company including the holding company a **Group Company**, together the **Group**). The Employee acknowledges that the Employee will need to work with and/or report to other employees and/or officers of other Group Companies. The Employee acknowledges that this does not create separate employment relationships with other Group Companies.

6. Duties and Responsibilities

It is understood that the duties and responsibilities arising out of the above function include all tasks customarily or reasonably incidental to such function and those expressly mentioned in this Employment Agreement / the Job Profile.

The Company may assign to the Employee any other, additional or new duties or responsibilities as deemed reasonable or appropriate by the Company in the course and fulfilment of its business.

The Employee undertakes to use the Employee's entire working ability to fulfil the Employee's contractual obligations and to loyally safeguard and foster the business and the interests of the Company. The Employee shall carefully perform all work and tasks assigned to the Employee.

7. Work for Third Parties

The Employee is not entitled to work for any third party or to engage in any gainful or unpaid employment, whether full-time or part-time, for the duration of the Employment Agreement without the prior written approval of the Company.

The same applies to the holding of public offices as well as any participation in companies of more than 5%.

Membership of the boards of directors of other companies and other institutions that are related to the business purpose of the Company or otherwise affect the interests of the Company or a Group Company also requires the prior consent of the Company.

8. Officer Position

In fulfilment of the Employee's duties, the Employee may have to act as officer, director or in any other corporate function within the Company or any Group Company. The Company may decide at its full discretion when such function shall end, and the Employee will retire from such functions and sign the necessary documentation upon first request.

The base salary as defined in Section 11.1 includes any and all remuneration for such functions and positions. In case the law provides for a mandatory remuneration the Company will decide whether such compensation shall be forwarded to the Company or be set off against the base salary as defined in Section 10.1 paid to the Employee by the Company.

9. Conflict of Interests

The Employee shall avoid any conflict of interest and inform the Company immediately if any potential conflict of interest arises.

A conflict of interest arises especially in case of a participation in or a personal relationship with suppliers or clients of the Company or in a Group Company.

10. Place of Work and Business Trips

10.1. Remote Working

The Employee is allowed to work mainly from the Employee's home in Switzerland (but not in any other countries should the Employee change residence). At the request of the Company, the Employee must be present at the Company's business premises.

Nevertheless, the Employee understands and agrees that the Employee may, in the course of the Employment and where reasonably requested by the Company, be required to travel to and work in other places and countries in order to perform the Employee's obligations and duties under the Employment Agreement.

10.2. Standards for Remote Working

The Employee confirms that the Employee has sufficient office space in the Employee's residential home which is suitable for the performance of the Employee's tasks. The Employee's office at home must meet the applicable Swiss standards and legal requirements of work safety and accident prevention. The suitability of the Employee's office at home may be verified by the Company.

The furnishing of the residential place of work with office furniture falls strictly to the Employee. In the process, it must be ensured that the office furniture complies with the requirements of occupational ergonomics and work safety.

The Employee undertakes under no circumstances to give the impression that the Company has a branch in the Employee's place of residence. Accordingly, the Employee may not, for example, mark the name of the Company on the Employee's letterbox or affix a Company sign at the Employee's place of residence.

10.3. Equipment and Data Safety regarding Remote Working

The Employee is obliged to have the necessary technical connection devices available in the Employee's office at home.

The necessary technical work equipment for the Employee's office at home shall be provided by the Company free of charge and remain the property of the Company. The work equipment provided shall be included in an inventory sheet. With the Employee's signature on the inventory sheet, the Employee confirms to have received the work equipment as specified therein. The work equipment must be handled with care by the Employee.

The work equipment provided to the Employee may be used solely for business purposes. It must neither be made accessible nor be left to third parties. The Employee is responsible for ensuring that the loaned work equipment is protected against unauthorized access by third parties. Passwords and access paths to the data network of the Company must not be disclosed to third parties. The Company may restrict the use of the communication devices provided to the Employee by means of appropriate technical measures and may verify usage on the basis of the monthly fees.

At the Employee's office at home, the Employee is required to pay particular attention to the protection of data and information with respect to third parties. The Employee undertakes to observe and apply the statutory provisions and the Company's internal regulations on data protection and data security. In particular, the Employee must ensure that third parties cannot gain access to confidential information and passwords.

The Employee agrees to store and safeguard all work equipment and documents provided in such a way that any access by third parties, including in particular persons living in the common household with the Employee, is excluded.

Confidential documents must be kept locked up.

Any work equipment and documents no longer required shall be returned and/or destroyed safely by the Employee. Such return and/or destruction and disposal shall occur at the place of business of the Company.

10.4. Remote Working Allowance

The Employee shall receive a flat allowance of CHF 300 per month to cover all costs of the office at home (rent, electricity, phone, internet, use of furniture, work equipment not provided, etc.) (**Remote Working Allowance**). During vacation and/or during any release from work (garden leave), the Employee shall not be entitled to any Remote Working Allowance.

11. Compensation

11.1. Base Salary

The Employee shall receive an annual base salary of CHF 375'000 gross (the **Base Salary**), payable in twelve monthly instalments of CHF 31'250 gross each at the end of the month to a bank or postal account to be specified by the Employee.

11.2. Bonus

The Employee may be eligible to receive a discretionary bonus of up to 40% of the Employee's Base Salary according to Section 11.1. The bonus might be determined according to a bonus programme of the Company, which the Company shall determine at its discretion. If no bonus programme is issued, any bonus shall be determined at the discretion of the Company.

The Company may set targets for the bonus, according to which the amount of the bonus is determined. However, the Company is free to deviate at its own discretion upwards or downwards from the targets set in its final determination of the bonus. If no targets are set, any bonus shall be determined at the discretion of the Company.

In the event of termination of the Employment, the Employee has no entitlement to a bonus, not even on a pro rata basis.

11.3. Participation Plan

The Employee may be given the opportunity by the Company or a Group Company to participate in the growth of the Company or a Group Company pursuant to a participation plan such as, for instance, an employee stock option plan, and as amended from time to time (the **Participation Plan**). It is in the full discretion of the Company or the Group Company issuing such Participation Plan to issue and/or to unilaterally amend such Participation Plan at any time.

The Employee expressly acknowledges that the Employee does not have any right or claim under the Participation Plan against the Company, but only against the Group Company issuing the Participation Plan. The Employee also confirms that any participation in the Participation Plan does not constitute an employment relationship with the issuing Group Company.

11.4. Acknowledgements of the Employee

The Employee acknowledges and agrees that any entitlements granted and payments made in addition to the Base Salary, including, but not limited to any bonuses, participations, or gratuities of the Company or any Group Company (the **Additional Payments**) are not part of the salary legally or contractually owed by the Company and are made at full discretion of the Company or the Group Company granting such bonus, participation or gratuity. Any Additional Payments shall not create any obligation of the Company or any Group Company to make such Additional Payments in the future and shall not create any right or claim of the Employee to such Additional Payments in the future even if paid over consecutive years and without express reservation.

11.5. No other Compensation

The Employee acknowledges and agrees that the Employee shall not be entitled to receive any other compensation or benefit of any nature from the Company except as expressly provided for in this Employment Agreement.

11.6. Deductions

From any and all compensation – if provided by law or by regulations – any portions of the Employee's social security contributions (AHV (old-age and

survivors' insurance)/IV (disability insurance)/EO (income compensation), ALV (unemployment insurance), UV (accidence insurance), daily sickness benefits insurance, if any, premiums to pension schemes and withholding taxes, if any, will be deducted and withheld by the Company from the payments made to the Employee.

12. Expenses

The Employee shall be entitled to reimbursement by the Company of out-of-pocket business expenses reasonably incurred by the Employee during the Employment in the performance of the Employee's duties under this Employment Agreement. The provisions in Section 9.4 shall be reserved. However, the reimbursement is subject to (i) the submission of relevant vouchers and receipts indicating the amount and purpose of the expenses, and (ii) the compliance with the reimbursement policies of the Company issued and unilaterally amended from time to time.

13. Probation Period and Termination

13.1. Probation Period

The first three months of the Employment are deemed to be the probation period. During the probation period, either Party may terminate the Employment at any time with a notice period of seven days to the end of any calendar day.

13.2. Termination

After expiration of the probation period, the Employment may be terminated by either Party with a notice period of 6 (six) months.

Upon observance of the notice period, termination shall be effective as of the end of a calendar day and not the end of a calendar month.

The Employment is being terminated automatically at the end of the month in which the Employee reaches the retirement age according to the Federal Law on Old-age and Survivors' Insurance (*AHVG*). In case of a permanent disability

to work the same applies. In case of a partial permanent disability the Employment ends to the same extent as the Employee is declared disabled.

14. Work Equipment and Obligation to Return Work Equipment

The Company shall provide the Employee with the necessary work equipment such as laptops, mobile phones, monitors, keyboards, mouse, etc.. The work equipment shall remain the property of the Company and the Company shall have the right to replace and/or reclaim the work equipment at any time.

At the Company's first request, but no later than upon termination of this Employment Agreement for any reason, the Employee shall return to the Company everything the Employee produced in the course of the Employee's work for the Company, everything which was given to the Employee throughout the course of this Employment and everything which otherwise fell into the Employee's possession. The obligation to return work equipment includes in particular but is not limited to keys, mobile phones, laptops, badges as well as data carriers and records of any kind, including any copies. Any possible retention right of the Employee is explicitly waived.

15. Working Time

15.1. General

The weekly working time depends on the needs to perform the position successfully but is at least 42 hours per week on an average basis (100% position).

The working hour details are set forth in the working time regulations, as implemented and/or amended by the Company from time to time (the **Working Time Regulations**).

15.2. Additional Work

The Employee shall work overtime, if this is necessary to fulfil the Employee's duties under this Employment Agreement. Considering the Employee's independent position and duties the Swiss Labour Act is not applicable to the Employment. The Employee shall therefore have no entitlement to additional

compensation for any such extra work (overtime, extra hours, Sunday work, work on public holidays, or night work). All such extra and overtime work is already compensated by the Base Salary according to Section 11.1 and the vacation days exceeding the statutory minimum.

16. Vacation

The Employee is entitled to 25 business days of vacation per calendar year (for a 100% stint). The 5 additional days of vacation granted exceeding the statutory minimum entitlement of 20 days shall be granted expressly as compensation for any overtime worked and may be offset against any time off entitlements. In the case of part-time work, this entitlement shall be reduced in proportion to the level of employment.

The Company has the right to determine by giving 3 (three) months' advance notice when the Employee shall take vacation days. In exceptional situations, this advance notice period is shortened to up to one week. Nevertheless, the Company will consider wishes of the Employee. If the Employee requests to take vacation, the Employee shall, reasonably prior to the intended vacation, inform the responsible executive. In any event the Employee shall provide for suitable internal representation during the Employee's vacation.

For the year in which the Employment begins or ends, the vacation entitlement is calculated *pro rata temporis*.

The Employee shall take the most recent vacation credit.

It is the Employee's duty to refund to the Company any vacation salary received for vacation days in excess of the vacation entitlement of the Employee.

The Employee shall take vacation days within the calendar year for which such entitlement accrues. The Employee shall not, without prior consultation and approval of the Company and/or the responsible executive, roll such days over to the subsequent calendar year.

17. Public Holidays and Short Absences

17.1. Public Holidays

The Employee is not obliged to work on federal and cantonal public holidays at the primary place of work. The Employee is not entitled to any compensation whether in cash or in kind for such public holidays when such public holidays are on weekends.

17.2. Short Absences

Upon request, the Employee shall in particular be granted the following hours or days off without deduction from the salary, provided that they necessarily fall within working hours:

- Marriage of Employee: 2 days
- Attendance of wedding of a family member or close relative: 1 day
- Moving: 1 day
- Medical or dental care (if not possible to attend outside working hours): as required
- Public duties (if not possible to attend outside working hours): as required
- Death or illness of:
  - close family member or person living in the same household: 3 days
  - other family member: 2 days
  - close relative: 1 day

Such absences shall not be grounds for a deduction of the Employee's entitlements to the Base Salary or vacation days, unless the absence exceeds the time period as set forth above.

18. Incapacity to Work and Insurances

The Employee shall notify the Company immediately about any incapacity to work and its probable duration, stating the respective reasons.

18.1. Medical Certificate

If the Employee's incapacity to work due to illness or accident exceeds three business days, the Employee shall without request by the Company furnish a medical certificate in an ongoing Employment. The Company reserves the right to request a medical certificate even in the event of a shorter duration of incapacity to work. If the Employment has been terminated, the Employee shall in any case be obliged to furnish a medical certificate to the Company from the first day of incapacity to work. In all cases of illness and accident, the Company is entitled to ask the Employee to be examined by an independent medical examiner at the Company's expense.

18.2. Salary in case of Employee's Incapacity to Work

If the Employee, for reasons inherent in the Employee's person, such as illness, accident or pregnancy, is by no fault of the Employee's own prevented from performing the work, the Company shall pay the corresponding salary normally due to the Employee according to the Zurich scale, provided that the Employment has existed for more than three months.

Various reasons for incapacity to work in the same year of service, including waiting periods compensated by the Company before any insurance commences, shall be added together. The Company's obligation to continue to pay the Employee's salary shall in any case end with the Employment.

The Company reserves the right, at its own discretion, to take out daily sickness benefits insurance for the benefit of the Employee, the premiums for which shall be borne one half each by the Company and the Employee. If a daily sickness benefits insurance will be concluded, the Employee will be provided with the details of such insurance coverage. If a daily sickness benefits insurance is in place, the insurance benefits will replace the statutory duty of the Company to continue to pay the Employee's salary completely. The benefits of the daily sickness benefits insurance shall be governed exclusively by the relevant provisions of the respective insurance company.

18.3. Occupational and Non-occupational Accidents

If the Employee works for the Company for an average of less than 8 hours per week, the Employee is only insured for certain medical expenses for

occupational accidents. However, if the Employee works for the Company for an average of more than 8 hours per week, the Employee is insured for certain medical expenses for both occupational and non-occupational accidents. Premiums for occupational accident insurance, occupational sickness insurance and non-occupational accident insurance are paid by the Company.

18.4. Health Insurance (Illness)

Health insurance is compulsory in Switzerland and needs to be obtained by the Employee. Upon receipt of the respective costs, the Company will cover the costs of the Employee's health insurance up to a maximum of CHF 400 per month.

18.5. Pension Plan

Provided that the Employee meets the regulatory requirements, the Employee is, through a pension plan (the **Pension Plan**), insured against the economic consequences of retirement, disability and death.

The Employee will be covered by the Pension Plan as amended from time to time.

The Company commits to providing a pension contribution of 5% of the Employee's Base Salary, or minimum requirements under Swiss employment law, whichever is greater.

19. Intellectual Property Rights and Work Results

The Company shall own all work results (including but not limited to data, know-how, documentation, concepts, drafts, inventions, works, applications, software, etc.) and all intellectual property rights therein, irrespective of their protectability under the applicable law, (including but not limited to trademarks, patents, designs, and copyrights) (the foregoing all together "**Work Results**") created by the Employee in the course of the Employment (regardless of whether within or outside agreed office or workplaces and within or outside working hours).

All such Work Results shall vest automatically in the Company upon their creation. If the Company has not become the automatic owner of the Work Results and/or if the Work Results are not transferred to the Company by law, the Employee is obliged to irrevocably transfer and assign and hereby transfers and assigns said Work Results to the Company. If such Work Product cannot be transferred to the Company for any reason whatsoever, the Employee grants the Company an exclusive, worldwide, transferable, unlimited, irrevocable, sub-licensable and royalty-free license to use and exploit the Work Result.

Further, the Employee waives the right (i) to be mentioned as inventor, author or creator of a Work Result, (ii) to object to any change, modification, revision, translation or alteration of the Work Result or (iii) to determine the first publication of any Work Result.

The Employee is obliged to take all steps reasonably requested by the Company in order to fulfil the Employee's obligations according to the above sections. This obligation continues even after termination of the Employment.

If Employee has created the Work Result with the assistance of another individual or legal entity that is not legally or contractually obliged to transfer the Work Result to the Company, the Employee ensures to take the required actions to have such third party's share in the Work Result transferred to the Company or (if a transfer is not possible) to have it licensed to the Company according to the terms above. In addition, the Employee ensures that the third party waives the right (i) to be mentioned as inventor, author or creator of a Work Result, (ii) to object to any change, modification, revision, translation or alteration of the Work Result or (iii) to determine the first publication of any Work Result.

Compensation for the transfer or licensing of any and all Work Results according to the above sections, in particular intellectual property rights and/or licensing rights, is included in the Employee's Base Salary according to Section 11.1.

If a Work Result is created by the Employee in the course of the Employment but outside of the duties under the Employment Agreement, the Employee shall immediately inform the Company thereof in writing. The Company shall have the right to acquire ownership of such Work Result for a reasonable additional compensation, provided that the Company notifies the Employee in writing of its will to exercise this option within six (6) months as of the Employee's notice of the creation of the Work Result.

20. Data Protection

The Company informs the Employee about the processing of the Employee's personal information in a privacy notice (**Personal Data**).

The Company may amend the privacy notice and respective policies at any time.

21. Non-Competition and Non-Solicitation

21.1. Non-Competition during Employment

The Employee shall refrain from competing with the Company during the Employment, i.e. the Employee is obliged in particular not to:

- directly or indirectly, once, occasionally or professionally, under the Employee's name or under a third-party name, on behalf of the Employee's own or on behalf of third parties' account compete with the Company or any Group Company; or
- engage in any way in any enterprise competing with the Company or any Group Company, and the Employee also agrees not to found, assist or promote any business being active in the same line of business as the Company or any Group Company.

Any solicitation or referral of clients and/or employees of the Company or any Group Company is prohibited.

In the event of a breach of this non-competition or non-solicitation obligation as set out in this Section 21.1, the Employee agrees to pay to the Company a disciplinary penalty equal to one (1) month's Base Salary as set out in Section 10.1 (including salary increases as granted from time to time) for each breach.

21.2. Post-Contractual Non-Competition

The Employee agrees that for a period of 12 months after termination of the Employment the Employee will neither:

- directly or indirectly, once, occasionally or professionally, under the Employee's name or under a third-party name, on behalf of the Employee's own or on behalf of third parties' account compete with the Company or any Group Company; nor

- engage in any way in any enterprise competing with the Company or any Group Company, and the Employee also agrees not to found, assist or promote any business being active in the same line of business as the Company or any Group Company.

This non-competition obligation shall apply to the whole territory for which the Employee was responsible during the Employment and/or to the whole territory in which the Employee was working with products of the Company or any Group Company during the Employment, but at least to the territory of Switzerland, the US and the UK and the Swiss, US and UK market.

21.3. Post-Contractual Non-Solicitation

For a period of 12 months after termination of the Employment the Employee shall abstain directly or indirectly from:

(i) enticing away, soliciting or interfering with any personnel from the Company or any Group Company with whom the Employee was in contact during the Employment; or

(ii) enticing away, soliciting or interfering with clients or contacts of the Company or any Group Company with whom the Employee was in contact during the last three years prior to termination of the Employment or about whom the Employee gained knowledge during the Employment.

21.4. Penalty

If the Employee violates the post-contractual non-competition obligation according to Section 21.2, the Employee shall pay to the Company a penalty in the amount of six monthly Base Salaries according to Section 11.1 (including salary increases as granted from time to time) for each violation.

If the Employee violates the post-contractual non-solicitation obligation with respect to co-workers according to Section 21.3(i), the Employee shall pay the Company a penalty of two monthly Base Salaries according to Section 11.1 (incl. salary increases as granted from time to time) for each violation.

If the Employee violates the post-contractual non-solicitation obligation with respect to clients according to Section 21.3(ii), the Employee shall pay to the Company a penalty in the amount of three monthly Base Salaries according to Section 11.1 (including salary increases as granted from time to time) for each violation.

If the breach consists in non-authorized participation in a competing company or in entering into a long-term obligation (such as an employment, service, agency or consultant contract), the penalty shall be increased by the amount of the last monthly Base Salary according to Section 11.1 (including salary increases as granted from time to time) for each month or part thereof in which the breach continues (the **Continuous Breach**).

Multiple breaches of the obligations pursuant to Sections 21.2 and/or 21.3each trigger separate penalties, if necessary several times within one month. If individual breaches occur within a Continuous Breach, they shall be covered by the penalty which has to be paid for the Continuous Breach.

The payment of the penalty does not release the Employee from the obligation to comply with the non-competition and/or non-solicitation obligations. The Company shall be entitled to seek injunctive measures or any other type of immediate relief to stop the infringement as soon as possible, regardless of whether any penalty is offered or paid.

The Company is at any time entitled to demand the elimination of the violating condition and in particular to prohibit the Employee from taking up or continuing any employment or other activity that violates this non-competition and non-solicitation clause (*Realexekution*).

Further, the Company reserves the right to claim compensation for damages (in addition to the penalty or penalties).

22. Confidentiality

The Employee will have access to confidential and proprietary information relating to the business and operations of the Company, any Group Companies and their clients, in particular to business and manufacturing secrets. Such confidential and proprietary information constitutes a unique and valuable asset of the Company and any Group Companies and their acquisition required great time and expense. The disclosure or any other use of such confidential or proprietary information, other than for the sole benefit of the Company or any Group Company, would cause irreparable harm to the Company.

The Employee is under a strict duty to keep all confidential and proprietary information strictly and permanently confidential and, accordingly, shall not during the Employment or after termination of the Employment directly or indirectly for any purpose other than for the sole benefit of the Company or any Group Company disclose or permit to be disclosed to any third party any confidential or proprietary information without first obtaining the written consent of the responsible executive and the party concerned, if applicable, except if required to do so by law.

The Employee may not make any statement to the media, as far as the Employee is not authorized to do so by the Company and/or the responsible executive.

In the event the Employee breaches the obligations pursuant to this Section a disciplinary penalty of one monthly Base Salary according to Section 11.1 (including salary increases as granted from time to time) shall be owed by the Employee to the Company for each breach.

However, the payment of the penalty does not release the Employee from further complying with the confidentiality obligation.

The Company reserves the right to claim compensation for damages in addition to the penalty.

23. Miscellaneous

This Employment Agreement constitutes the complete Employment Agreement between the Parties regarding its subject matter and supersedes all prior oral and/or written agreements, representations and/or communications

concerning the subject matter hereof, in particular the offer letter dated 1 August 2022 and the former employment agreement concluded between the Company (in formation) and the Employee on 26/28 September 2022.

Should any of the provisions of this Employment Agreement be or become legally invalid, such invalidity shall not affect the validity of the remaining provisions. Any gap resulting from such invalidity shall be filled by a provision consistent with the spirit and purpose of the Employment Agreement. In the same way shall be proceeded if a contractual gap appears.

Any amendments or supplementation of this Employment Agreement shall require written form and must be signed by both Parties. The written form may be dispensed only in writing.

This Employment Agreement shall be construed in accordance with and governed by Swiss law (without giving effect to the principles of conflicts of law).

Signatures

/s/ William Enright

Vaccitech Switzerland GmbH (Company)

23 January, 2023

Place, date

Name: William Enright

Title: Director

/s/ Nadege Pelletier

Employee

23 January, 2023

Place, date

Nadege Pelletier

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William Enright, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vaccitech plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2023

/s/ William Enright
Name: William Enright
Title: Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gemma Brown, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vaccitech plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2023

/s/ Gemma Brown
Name: Gemma Brown
Title: Chief Financial Officer

Exhibit 32.1

CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Vaccitech plc (the "Company") on Form 10-Q for the period ending March 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of his or her knowledge that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 12, 2023

/s/ William Enright
Name: William Enright
Title: Chief Executive Officer

Date: May 12, 2023

/s/ Gemma Brown
Name: Gemma Brown
Title: Chief Financial Officer